



General Assembly

Sixty-second session

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Second Committee

Summary record of the 1st meeting

Held at Headquarters, New York, on Thursday, 20 September 2007, at 4.30 p.m.

Chairperson: Ms. Lintonen (Finland)

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07-51108 (E)



The meeting was called to order at 4.35 p.m.

Statement by the Chairperson

1. **The Chairperson** said that the Committee's meetings would begin punctually at 10 a.m. and 3 p.m. If a speaker was absent, his or her delegation would automatically be placed last on the list of speakers. During the sixty-first session of the General Assembly, the Committee had used 75 per cent of its allocated conference resources and had lost over 22 hours owing to late starting and early adjournment of meetings. As that represented a decline in the statistics compared to the sixtieth session, she would make every effort to ensure that the Committee would improve its statistics in 2007. In that connection, if there were few or no speakers inscribed for a particular meeting, the time and the conference services should be utilized either for negotiations or for meetings of interest groups.

2. She proposed that speakers should be limited to 10 minutes for the general debate and 7 minutes for statements made under individual agenda items, with some flexibility for the representatives of interest groups. Introductions by the Secretariat should also be limited to 10 minutes and representatives of the Secretariat, agencies, funds and programmes were explicitly requested to focus their statements on selected issues of concern to them and to distribute their interventions in advance, if possible.

3. She recalled several important changes in the working methods adopted by the Committee. Draft resolutions under the various agenda items would be negotiated and adopted by the Committee throughout the session, rather than at the end; informal negotiations would be held early in the session and, if the need arose, formal informals might be scheduled at the recommendation of the Bureau. Delegations were therefore requested to do their utmost to facilitate the adoption of draft resolutions by the deadlines recommended in document A/C.2/62/L.1. In accordance with General Assembly resolution 50/277, draft resolutions should be concise and action-oriented. Furthermore, decisions rather than resolutions should be used as much as possible for issues of a procedural nature.

4. Two key elements were essential for the successful completion of the Committee's programme of work. One was discipline in honouring the deadlines for submission of draft proposals that were indicated in

the document on the organization of work (A/C.2/62/L.1). The other was the full utilization of time in between the consideration of items for delegations to prepare the draft proposals, establish group positions or conduct informal informals.

5. The Committee would have at its disposal "Quick Place", a secure online shared workspace which had been used for the first time in the previous year.

6. She took it that the arrangements she had described were acceptable to the Committee.

7. *It was so decided.*

Organization of work (A/C.2/62/L.1)

8. **The Chairperson** said that the programme of work (A/C.2/62/L.1) was largely based on the provisions of General Assembly resolutions 57/270 B and 58/316 and decision 61/544, as well as the suggestions and recommendations of the Bureaux of the Committee at the sixtieth and sixty-first sessions of the General Assembly. The items allocated to the Committee would be contained in a letter from the President of the General Assembly addressed to the Chairperson and to be issued as document A/C.2/62/1. The target date for the conclusion of the Committee's work was 30 November 2007, which was recommended by the General Committee on the basis of a General Assembly recess date of Tuesday, 18 December 2007.

9. **Ms. De Laurentis** (Secretary of the Committee) informed the Committee of some changes to the programme of work that had been recommended by the Bureau.

10. **The Chairperson** took it that the Committee wished to approve its programme of work as contained in A/C.2/62/L.1, as orally revised, on the understanding that it might have to be adjusted in the light of the decisions taken by the General Assembly at its second meeting pertaining to the allocation of items to the Second Committee.

11. *It was so decided.*

The meeting rose at 4.55 p.m.



General Assembly

Sixty-second session

Official Records

Distr.: General
18 October 2007

Original: English

Second Committee

Summary record of the 2nd meeting

Held at Headquarters, New York, on Monday, 8 October 2007, at 9.45 a.m.

Chairperson: Ms. Lintonen (Finland)

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07-53132 (E)



The meeting was called to order at 10 a.m.

Statement by the Chairperson

1. **The Chairperson** said that the equitable and sustainable development of all countries required effective and timely realization of the United Nations development agenda and its internationally agreed development goals, including the Millennium Development Goals. Attainment of those Goals was still a long way off, particularly in Africa. At the Economic and Social Council's first Annual Ministerial Review, held during its 2007 high-level segment, Member States had issued an unequivocal call for those Goals to be implemented. Renewed efforts were needed.

2. The Secretary-General's High-level Event on Climate Change had accorded sustainable development the high priority it deserved, leading to the General Assembly's general debate under the theme "Responding to climate change". Globalization had created new opportunities but also new challenges requiring multilateral action. The United Nations was the organization best placed to address common concerns, provided the political will and a commitment to multilateralism were there.

3. She drew attention to the Triennial Comprehensive Policy Review and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008. The Committee had a key role to play, with regard to the former, in providing clear guidance on how to promote greater coherence, effectiveness and efficiency in the operational activities of the United Nations system and, with regard to the latter, in setting the stage for a successful review. She was confident that the spirit of Monterrey would guide the Committee's deliberations in that regard.

4. As in previous years, the Committee would also consider issues relating to groups of countries in special situations, such as the least developed countries, landlocked developing countries and small island developing States. In that regard, she urged the Committee to focus its resolutions on actions, as such countries urgently needed tangible results.

5. Lastly, she noted that the Bureau and the Department of Economic and Social Affairs had organized a number of special events on a wide range

of issues. She hoped that Committee members would benefit from the presence of distinguished scholars, practitioners and policymakers at those events.

Statement by the Deputy Secretary-General

6. **Ms. Migiro** (Deputy Secretary-General) said that her presence at the meeting attested to the Secretary-General's strong and unequivocal support for the Committee and to his firm and abiding commitment to strengthening the Organization's role in promoting its development agenda. To achieve that, Member States, the Secretariat and all other stakeholders must work hand in hand. In that regard, she had launched an informal consultative process with the heads of departments, funds and programmes dealing with economic, social and development-related issues. That process would feed into the Secretary-General's leadership role and provide him with sound policy advice on the development agenda.

7. Despite turbulence in the financial markets, the overall outlook of the world economy showed positive signs. The situation in many developing countries, however, remained highly fragile. Global poverty was among the most pressing issues, trapping millions of children, women and men of all races, religions and creeds. However, nowhere was its grip as tight and structurally rooted as in Africa. Millions of lives quite literally hung in the balance. Sharp social and economic disparities in the global economy persisted, impacting negatively on the fight against extreme poverty and making the collective endeavour to achieve the Millennium Development Goals by 2015 an even harder task. The Secretary-General and she herself were deeply committed to further advancing the Organization's leadership in promoting the development agenda. A stronger United Nations needed a stronger development pillar.

8. The best way to effectively address the many complex challenges facing an increasingly globalized world was a multilateral approach. The Committee was a prime example of multilateral development in action. It had played a central role in advancing the development debate from competing paradigms to collective commitments within a common vision. The global summits and conferences had produced an ambitious development agenda with a set of internationally agreed development goals, including the Millennium Development Goals, and a shared framework for achieving them. The Committee had

made defining contributions to those momentous achievements.

9. The success of the Committee's work in the coming weeks was critical. Of particular concern was the risk that imbalances in the global economy posed to the recent economic recovery of a large number of developing countries and to the prospects of countries moving from conflict to reconstruction and development. More effective and inclusive multilateral policy coordination, accompanied by measures to keep markets open, could be a major contribution not only to development and the advancement of the Millennium Development Goals but also to an orderly evolution of the world economy. Such efforts should focus on countries with special needs, such as African countries, the least developed countries, landlocked developing countries and small island developing States, and on vulnerable segments of the population everywhere, particularly women and children. Many African countries were not on track to reach the Millennium Development Goals. The Secretary-General had recently convened the Millennium Development Goals Africa Steering Group, which brought together leaders of major multilateral and intergovernmental organizations. In her capacity as Deputy Secretary-General, she was following up that initiative at the operational level by chairing the Millennium Development Goals Africa Working Group. The Working Group's aim was to accelerate efforts to follow through on existing promises by keeping its focus clearly on implementation. It would work together with other stakeholders towards improving aid predictability and effectiveness, and strengthen its joint actions at the country level by using multilateral development cooperation more efficiently and coherently to help implement commitments in key areas. In that regard, the Economic and Social Council's ministerial review of progress towards development goals, held in July 2007, had made important strides in advancing their implementation. Collective efforts would bear fruit only if all stakeholders kept their promises. In that common endeavour, there must be a renewed commitment to the guiding principles agreed by all in Monterrey.

10. Developing countries had a responsibility to create a favourable environment for long-term and equitable economic growth and to take full ownership of their development process. There had been encouraging progress in that area. The Association of

Southeast Asian Nations (ASEAN), had become a dynamic geopolitical entity that drove its members' social progress and economic growth. Africa had its New Partnership for Africa's Development (NEPAD), its own development blueprint. Strong international support, in the framework of South-South cooperation and North-South partnerships, was essential to that initiative's success.

11. Donors must do more to keep their promises to increase development assistance flows and debt relief. Despite the strong commitments made in 2005, ODA flows had declined in 2006 and might continue to decline in 2007 as well. That trend must be reversed. Of equal importance was the quality, modality and effectiveness of aid. Further efforts should be made in that regard, building on the Paris Declaration on Aid Effectiveness. The Development Cooperation Forum's potential should be fully used in addressing some of those issues.

12. Foreign aid was not enough. Open, equitable and non-discriminatory trading and financial systems were equally critical to developing countries' prospects. The Doha Round must conclude early with a meaningful development package. Aid-for-trade must effectively support countries so as to create competitive trade capacities and job opportunities. The power of investment and new and innovative technologies must be better channelled to improve human conditions everywhere. Such issues would be central to the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) and to the Follow-up International Conference on Financing for Development to be held in 2008, which would provide major opportunities to further advance the trade, finance and development agenda.

13. The dramatic rise in South-South trade testified to the growing importance of regional and interregional economic linkages. The United Nations must improve its focus on such issues. Consideration must also be given to the development dimensions of climate change. The international community must redouble its efforts to tackle climate change effectively and keep it from undermining socio-economic progress.

14. The Organization's capacity to better deliver programmes at the country level would be addressed under the Triennial Comprehensive Policy Review of operational activities. The Committee's guidance would greatly contribute to improved and more

coherent delivery by the United Nations system. She trusted that its deliberations would contribute to the consultations on system-wide coherence that the President of the General Assembly intended to conduct in order to strengthen the Organization's operational activities. On a broader level, coherence would demand not only that United Nations agencies worked in greater concert, but also that all stakeholders worked ever more closely together to advance the development agenda.

15. In order to summon up humanity's best efforts, a coalition of conscience was needed, backed by rededicated and resolute action, in order to achieve all internationally agreed development objectives, in particular the admittedly ambitious Millennium Development Goals. The international community had the resources at its command to achieve that ambition. It simply could not afford to fail. She was confident that the Committee's work in the coming weeks would further contribute to that critical imperative.

Statement by the Under-Secretary-General for Economic and Social Affairs

16. **Mr. Sha Zukang** (Under-Secretary-General for Economic and Social Affairs) said that the current situation in the world economy might pose a risk to global stability and to the implementation of the development agenda. The global financial turmoil was still unfolding. While its outcome was still unknown, the risks seemed to have increased. The global growth projection for 2007, as presented in the *World Economic Situation and Prospects 2007*, remained at 3.4 per cent — a marked slowdown from previous years. The projection for 2008 might have to be downgraded further in view of the recent financial turbulence and weakened growth in the United States. The Department of Economic and Social Affairs had repeatedly stressed the need to address global imbalances in a gradual and coordinated way and yet no serious action had been taken. Changes in market sentiments and investor confidence could trigger a hard landing for the dollar and a disorderly adjustment of global imbalances, threatening prospects for the global economy and future growth.

17. In recent months, central banks in the major developed countries had adjusted monetary policy. However, national policy initiatives alone could not effectively address the deeper roots of the problem. The global economy desperately needed effective

multilateral surveillance of macroeconomic policy coordination and collective action, involving all the major players from developed and developing countries. The slowdown in global growth put all economies at risk, particularly developing countries, many of whom remained highly dependent on the demand for their products in industrialized countries and on commodity price levels. Any marked decrease in their earnings would severely affect the resources available for making the investments needed to achieve the Millennium Development Goals and other internationally agreed development goals. Goal 8 of the Millennium Development Goals committed the international community to a global partnership for development. Each country assumed responsibility for its own development, devising national strategies and mobilizing domestic resources. Developed countries provided assistance and, together with all other stakeholders, should help create an enabling international environment. The follow-up process to Monterrey was a major mechanism for strengthening that partnership in practice. Two critical opportunities lay ahead, starting with the General Assembly's High-level Dialogue on Financing for Development later that month. The Dialogue would concentrate on progress made on the six components of the Monterrey Consensus. So far, the overall picture was mixed.

18. On the positive side, many developing countries, including many of the least developed ones, had achieved growth in trade. ODA levels had seen some improvement since 2002, including new commitments, such as those made in Gleneagles. However, despite the advent of new donors, ODA seemed to have declined since the previous year. Debt relief had also made good progress in a number of cases, but much more needed to be done.

19. More prudent macroeconomic policies and structural adjustments had not always yielded the growth, job creation and increased efficiency in social spending needed to make adequate progress towards the Millennium Development Goals. Private resource flows had been uneven and were exposing some developing countries to greater risks. Significant challenges remained both in realizing the Doha Round's development dimension and in putting all low-income countries on a sustainable path to debt repayment. ODA levels still fell far short of targets. It was important to ensure sufficient and predictable flows channelled through national budgets.

Unfortunately, there was little progress to report on increasing developing country voice and participation in the international financial institutions.

20. The Follow-up International Conference on Financing for Development to be held in Doha in late 2008 would provide an opportunity to review progress and get firmly on track, while addressing new challenges and emerging issues. The High-level Dialogue should start preparations and exchange ideas on concrete actions that could be taken.

21. One of the major challenges today was how to mount a global response to climate change. Concerted global action on mitigation and adaptation required enhanced and innovative financing mechanisms and better avenues for the transfer of cleaner technologies. With its serious social and economic implications, climate change affected everyone. The poorest communities, however, were the most vulnerable. Building resilience in vulnerable countries, including small island developing States and the least developed countries, should be a high priority. The international community's ability to effectively pursue sustainable development would depend on how successful it was in addressing climate change in a timely and concerted manner. That view had been widely expressed at the High-level Event on Climate Change convened by the Secretary-General the previous month. There had also been repeated calls to mobilize political will for a global agreement under the United Nations Framework Convention on Climate Change. The thirteenth session of the Conference of the Parties, to be held in Bali in December, should be the starting point for intense negotiations in order to ensure that such an agreement was in force by the end of 2012. He urged the Committee to send a strong message to that session.

22. The United Nations had moved its focus to implementation, mobilizing and providing practical support to help translate development commitments into action at the global, regional and national levels. That could be seen in the global and regional intergovernmental processes. He had been particularly encouraged by the broad engagement in the Economic and Social Council's first Annual Ministerial Review. He hoped to see even greater energy injected into the first Development Cooperation Forum to be held in mid-2008.

23. The Triennial Comprehensive Policy Review served to establish key guidelines for United Nations

operational activities at the country level. When providing those guidelines, the Committee should endeavour to enhance the capacity of United Nations funds and programmes to focus on deliverables. To do that, it needed to address four key questions: aligning United Nations system activities at the country level with national sustainable development strategies and the internationally agreed development goals; increasing the effectiveness and coherence of the United Nations development system; leveraging that system's comparative advantage in what had become an increasingly competitive environment at the country level; and, lastly, increasing accountability, transparency and efficiency by further simplifying and harmonizing procedures.

**Keynote address by Professor Edmund Phelps,
2006 Nobel Prize recipient in Economic Sciences**

24. **Mr. Phelps** said that, in neoclassical economic theory, there was no underdevelopment. The only development was national wealth accumulation. In a closed economy, that was identical to domestic capital accumulation. In an open economy, it was necessary to add accumulation of assets abroad. National saving was equal to domestic investment plus investment overseas. For domestic capital accumulation and the resulting economic growth, neoclassical economics saw the need only, or mainly, for a legal framework and for rule of law.

25. In real business life, however, there were all kinds of imperfections, in both the information and the knowledge possessed by various categories of participants. In the real world, participants were therefore capable of making huge mistakes and regulations were required to protect them. Regulators themselves might also make huge mistakes, however. Thus underdevelopment did exist in the world — and would exist even with efficient market institutions — owing to imperfect knowledge in the form of technological backwardness; deficiencies of human capital that were hard to make up at all quickly; obstacles to growth arising from corruption in the private and public sectors; the inability of some well-functioning market systems to function well in all environments; and policies that, generally speaking, were ill conceived, such as minimum wage law and unconditional dole.

26. China was a prime example of a country that had emerged from underdevelopment through technological

catch-up. In China, fiscal policy governed the disposable income of households and enterprises as a way of guiding the pace of national saving and, therefore, the pace of investment in Western technologies. On the whole, Chinese enterprises invested mainly in production facilities requiring the smallest technical leap and then worked their way up the ladder. Gradually, the technological gap between China and the leading economies narrowed. The optimum rate of national saving and, therefore, of technological catch-up was extraordinarily high. There was nothing particularly obsessive or irrational, therefore, about China's choice of a very high rate of saving. An important element of the Chinese model was that, as in other economies emerging from underdevelopment, the consumer must incur learning costs when evaluating and using new products on the market. Consequently, consumption tended to fall behind output until the gap was so large that consumption could finally grow at the same rate as output. That was why imports had lagged behind exports. In his view, however, in order for a country to catch up fully, it required not only technological knowledge but also informal knowledge or "know-how".

27. Furthermore, countries needed to innovate if they were to catch up fully and stay up. For example, continental Western Europe had caught up with the technologies in the United States and Canada and with cutting-edge industries in some other countries by the early 1990s, but — generally speaking — had been unable to keep up with technologies in South Korea, Finland, Sweden, Ireland, Iceland, Canada and the United States during the wave of innovative commercial applications of the Internet from 1995 to 2005. Now that productivity growth had slowed to a more normal pace in the latter countries, another episode of catch-up in continental Europe could be expected. Yet, even when continental Europe's productivity had virtually caught up with the frontrunners in the early/mid-1990s, overall performance in continental Europe had still been below that in Canada, the United States and Ireland. Job satisfaction and employee engagement, meanwhile, tended to be lower in France and Italy than in Canada and the United States.

28. His explanation was that continental Europe's economic systems generated less dynamism than those of Canada and the United States. There was direct

evidence of lower turnover among the largest firms and higher stock market capitalization. He defined dynamism as the fertility and originality of the economy's business sector in coming up with new ideas of commercial promise; the aptness or shrewdness with which the economy's financial sector selected innovation proposals for development and marketing; and the curiosity and experimentalism of consumers towards new products. Even if the degree of dynamism in the economy's institutional structure remained the same, the growth rate could still rise or fall. Dynamism could not be measured accurately by growth. It should not be taken for granted, therefore, that China would catch up fully with the most dynamic economies of the West. Full catch-up by China would require an extraordinary degree of development among its economic institutions and, perhaps, culture. However, no one could be sure that that was not possible either.

29. There was something profoundly wrong with the Keynesian view of "development" as reaching some static goal, such as high productivity, since that could mean the end of the quest for innovation, creativity and novelty. "Development" therefore ought to be seen as a never-ending process whose continuation was essential for the fulfilment of various human needs.

30. The pressure on China to stimulate consumption and to cut export supply was well known. However, such a narrow view overlooked the gains to the global economy from the bidding up of prices by China and the other surplus countries, which boosted investment expenditures of all kinds and thus counterbalanced trade deficits in the rest of the world.

31. Many economists firmly believed that those who gained from the higher prices of business and other assets should compensate those who incurred losses. However, other economists believed that workers in export trades bore no moral obligation to compensate workers in investment goods trades in periods of high interest rates. Equally, in their view, workers in investment goods trades did not need to compensate export workers in periods of low interest rates.

32. The great moralist John Rawls thought that it was the *ex ante* instances of unfairness that society must rectify, not the *ex post* ones. He therefore believed that disparities in lifetime prospects should be addressed early in life through subsidies and investment in public education. However, he did not foresee Governments

undertaking to create guarantees against the vicissitudes of life.

33. Pollution was another source of unfairness. Under tort law, a person was expected to provide compensation when voluntarily and regularly causing harm to another person. In the same vein, most observers expected the United States and China to take steps to tackle the pollution which they caused. However, while such expectations were reasonable in the long term, it appeared unjust in the short term to expect China to meet the same international standards as the other high-productivity countries, particularly in cases where China was much poorer than the countries it was polluting. Consequently, most experts, justly or unjustly, expected the higher-income countries to share in the cost of reducing pollution from China.

34. Capitalism could not be easily introduced into developing countries since well-functioning capitalism required an intricate network of economic institutions, some of which either did not exist in developing countries or had not evolved sufficiently to enable capitalism to perform better there than corporatist or socialist systems. The regulatory agencies that protected investors and consumers in developing countries were also often inadequate or had been undermined by corrupt practices. However, market socialism and corporatism also needed institutions. It was a mistake to believe that State enterprises were naturally more transparent, non-abusive and non-corrupt than the firms operating under capitalism. In the United States, for example, State entities were often worse polluters than private firms because they were less vulnerable to prosecution.

35. Some countries were relatively well equipped to support corporatism, whereas others were better suited to support capitalism. The problem for the former was that corporatism could block their path towards capitalism. However, increased competition from globalization provided conditions favouring capitalism in some countries.

36. **Mr. Leroy** (Belgium) asked whether it was likely that African countries would catch up with the emerging economies and how the international community could help them to do so.

37. **Mr. Phelps** said that it was important to distinguish between short-term and long-term goals. For example, in the short term Cuba would find it difficult to compete with the flow of cheap goods and

low-skilled labour from China. To be in a more competitive position, it should have developed its export market earlier. Other countries in Latin America and Africa were facing similar difficulties. However, in the longer term, it was likely that China would join the ranks of the highly developed countries. As such, China would no longer have massive amounts of low-cost labour and goods to export and so Latin American and African countries would not be in competition with China in that regard.

38. **Mr. Steeghs** (Netherlands) asked how the international community could provide a safety net for African countries in view of the difficult short-term period ahead.

39. **Mr. Phelps** stressed that worsening trade prospects did not necessarily mean that developing countries could not make major gains in other areas. Developing countries needed to focus on the economic institutions that supported and stimulated business activity in general and innovative activity in particular. Less developed countries in Africa and elsewhere should also pursue efforts to increase wages through appropriate State assistance. Generally speaking, a great deal could be done to foster development without the need for increased trade.

40. **Ms. Al Arayedh** (Bahrain) asked how the international community should address the widening development gap.

41. **Mr. Phelps** said that he was not pessimistic about current productivity and technological gaps. The latter could be effectively and easily bridged by the use of the Internet, for example. Technological transfer had also improved enormously over the previous decade and many encouraging opportunities had arisen as a result. For example, Argentina had achieved a level of technological progress that would have been unimaginable 10 years previously. However, to achieve a high level of productivity technological advances must be complemented by managerial expertise and the informal know-how of employees.

42. **Mr. González Pérez** (Cuba) recalled the impact of the economic blockade against Cuba on its exports and stressed that the positive aspects of socialism and corporatism should also be mentioned to balance the comments made in favour of capitalism.

43. **Mr. Phelps** said that abstract comparisons of alternative economic systems should be avoided

because they did not take into account the particular situation in a given country. However, one of the strengths of capitalism was that it empowered individuals in the business sector to use their personal knowledge to make potential innovations. Capitalism harnessed creativity at a very basic level of the economy and gave entrepreneurs the opportunity to succeed in the financial sector. Capitalism could be an excellent economic system if countries had entrepreneurs with access to capital markets, if their financial sectors evaluated innovative new ideas and if they also had consumer sectors receptive to such ideas. In his view, the hostility to capitalism in Western Europe in the early part of the previous century had backfired, leading to alternatives that had proved to be worse.

44. **Mr. Benfreha** (Algeria) asked what regulations and measures were needed at the international level to address market failures.

45. **Mr. Lorenzo** (Dominican Republic) asked to what extent natural disasters and the uncertain oil supply posed challenges to economic growth.

46. **Mr. Alim** (Bangladesh) asked about the global impact of the gap between countries with surplus and deficit economies. He also wondered how developing countries could directly benefit from the global reserve system and how developing countries, particularly in sub-Saharan Africa, could reverse negative trends in the flow of resources. Finally, he asked whether there was a particular model for the application of capitalism in developing countries.

47. **Mr. Kpukumu** (Sierra Leone) asked what components of China's economic institutions and cultures would need to be developed in order for China to catch up fully with the most dynamic Western economies. Why was it that China did not seem to be as dynamic as the Western economies?

48. **Mr. Phelps**, replying to the representative of Algeria, said that the question of international regulations and arrangements for promoting economic justice could not be dealt with in the short time available. The cap-and-trade system which did not require a large global infrastructure, made it possible to estimate how much it would cost to buy the right to produce one unit of pollution and thus to determine how aggressively a given country was curbing its supply of pollution to the world. Elementary passive

ideas of fairness might work to produce a fairly good result at the end.

49. Referring to a number of comments on the vital importance of trade, he noted that countries of a good size could provide meaningful and rewarding work and engage in innovation, yet have little or no trade. In the eighteenth and nineteenth centuries, the populations of some countries seemed to have expressed considerable satisfaction with their lives even though, by current standards, their productivity had been abysmal. At present, too much emphasis was placed on quantifiable aspects such as trade and output per hour and not enough attention was being paid to the need for rewarding lives.

50. Replying to another question, he said that the essence of capitalism was new commercial ideas and innovation. There was confusion in the economic profession regarding the difference between capitalism and a free-market economy. The term "free-market economy" denoted an economy with an essentially non-existent public sector, in which the Government bought hardly any goods or services. In neoclassical economics, some people thought that capitalism precluded a welfare State. However, it was possible to have capitalism with a high level of State pensions, a social security system for retired people and a medical-insurance sector run by the State. In his view, capitalism should not be defined by reference to the welfare State at all.

51. Replying to the question regarding China, he stressed that the subject was very complex. It seemed to him that China's financial sector was a candidate for the most profound reforms over the next ten years. If that could be accomplished, the entrepreneurial spirit would flourish in China.

General debate

52. **Mr. Salgueiro** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia, the stabilization and association process countries and potential candidates Albania, Montenegro and Serbia; and, in addition, Iceland, Georgia, Moldova and Ukraine, said that climate change was more than just an environmental problem, as it had a negative and potentially severe impact, both present and future, on several of the objectives of the United Nations. The United Nations system must be prepared to work on the

effort to reduce greenhouse gas emissions and to fight the often irreversible and unavoidable implications of climate change. The forthcoming Climate Change Conference should agree to embark on constructive and comprehensive negotiations involving all countries with a view to agreeing on a post-2012 multilateral regime by 2009. The European Union would continue to demonstrate strong leadership in that area by strengthening its own commitments. However, action by the European Union alone would not suffice to advance the process towards a comprehensive, effective and fair agreement within the framework of the United Nations Framework Convention on Climate Change.

53. The European Union hoped that the work of the Second Committee and that of the General Assembly on the question of financing for development would be seen as a coherent whole and that Member States could work together in a collaborative and constructive spirit to prepare the Follow-up International Conference on Financing for Development to be held in 2008. The Triennial Comprehensive Policy Review was a valuable instrument for Member States to further the efficiency and effectiveness of the Organization's operational activities and to shape its role in the global partnership for development. Although progress had been made since the last Review, more needed to be done to ensure that the United Nations operated in true partnership with and effectively served the needs of all countries, especially developing countries. The 2007 Review would be an important opportunity to strengthen the linkages between the United Nations system's normative work and its operational activities, facilitate progress in overcoming systemic fragmentation and build on ongoing reforms that focused on performance, accountability and results.

54. The European Union would be submitting a draft resolution under agenda item 60 (Towards global partnerships), which would highlight the important contribution of public-private partnerships to sustainable development.

55. The European Union was pleased with the accomplishments of the substantive session of the Economic and Social Council. The first Annual Ministerial Review and the Development Cooperation Forum represented important steps forward in the strengthening of the Council and the follow-up of the Millennium Development Goals. Those efforts would complement others such as the initiative to strengthen

system-wide coherence, the improvement of the Council's working methods and the work of the committees that sought to strengthen and focus the efforts of the United Nations on effective responses to promote the achievement of internationally agreed development goals, including the Millennium Development Goals.

56. The European Union remained committed to strengthening and revitalizing the work of the Second Committee and to improving the Committee's working methods. Its members welcomed the efforts of recent years to implement a rolling programme of work and recognized that the success of the programme depended on reports and resolutions being submitted on time. The rationalization of the Committee's agenda should continue, including through further clustering of items and sub-items, and biennialization and triennialization as appropriate. The rational division of work between the General Assembly and the Economic and Social Council should also receive further consideration.

57. While welcoming the opportunity to discuss the important issues to be raised at side events scheduled during the session of the Committee, the European Union wished to stress that such events should not overburden the already full substantive agenda of the Committee.

58. **Mr. Hackett** (Barbados), speaking on behalf of the member States of the Caribbean Community (CARICOM), said that over the past year the Community had made great strides towards the creation of a CARICOM Single Market and Economy. Having established the Single Market, the Community's efforts were now focused on the mechanisms to bring the Single Economy into effect through a process of phased implementation. The Caribbean Community noted with alarm that there were predictions of a downturn in the global economy which would have a negative impact on efforts to eradicate poverty and promote sustained economic growth. The international community must, as a matter of urgency, undertake the task of reforming the present global economic and financial architecture. Enhancing the voice and participation of developing countries in international economic decision-making and norm-setting remained a prerequisite for improving global economic governance. The ongoing discussions on quota and voice reform in the Bretton Woods institutions should result in an increased level of

representation of and a greater voice for small developing countries.

59. CARICOM reiterated its call for the full realization of the development dimension of the Doha Work Programme, including through special and differential treatment for the small and vulnerable economies. At its current session, the Second Committee should send a strong political signal to the trade negotiators in Geneva that the Doha Round must fulfil its development promise, taking into account the needs of developing countries so as to contribute to the timely realization of the internationally agreed development goals.

60. CARICOM wished to reiterate its call for a more comprehensive approach to the debt burden of middle-income developing countries. The Caribbean countries looked forward to further discussions and decision-making on the issue during the Follow-up International Conference on Financing for Development and its preparatory process. CARICOM intended to play an active role in the forthcoming High-level Dialogue on Financing for Development.

61. In recognition of the severity of the threats posed by climate change, the Heads of Government of the Caribbean Community at their Meeting in Barbados in July 2007 had issued their strongest statement on climate change and outlined the parameters for the Caribbean Community's position at Bali and beyond. The priorities of the region in a post-2012 regime were to achieve substantial and legally binding emission reductions in the shortest time possible and significant increases in the level of resources available to developing countries, particularly small island developing States.

62. CARICOM continued to attach high priority to the implementation of the Barbados Programme of Action and the Mauritius Strategy of Implementation. The Caribbean countries remained concerned that no action had been taken to implement the mandate from the General Assembly to strengthen the SIDS Unit in the Department of Economic and Social Affairs. They also called for support from the donor community for the revitalization of SIDSNet.

63. CARICOM intended to contribute constructively to the debate on the sub-item on renewable sources of energy. In particular, its members wished to reiterate their key positions on the issue as articulated at the fifteenth session of the Commission on Sustainable

Development, at which they had stressed the need for a substantial increase in the use of renewable energy, creation of a global renewable energy fund and support for regional cooperation efforts of developing countries.

64. CARICOM fully supported General Assembly resolution 61/16 on the strengthening of the Economic and Social Council. The work to be done at the Annual Ministerial Review and the Development Cooperation Forum would provide an important platform for deliberations aimed at creating a more enabling environment for sustainable development and strengthening the implementation of commitments for the achievement of the internationally agreed development goals, including the Millennium Development Goals.

65. **Mr. Akram** (Pakistan), speaking on behalf of the Group of 77 and China, said that further analysis and policy formulation was required, especially in the areas of finance, trade, technology, energy, climate change and global economic governance. The world needed a strategic vision for comprehensive reform of the international financial and monetary system in support of the objectives of rapid, balanced and sustained growth and development in a globalized international economy. Reform must encompass liquidity creation, including special drawing rights, official development assistance and foreign direct investment. Official development assistance to developing countries, especially the most vulnerable among them, remained indispensable. The forthcoming Follow-up International Conference on Financing for Development would provide a valuable opportunity to reach agreement on a comprehensive and effective approach to meet the requirements of developing countries.

66. Regarding the Doha Round, the major trading countries must demonstrate flexibility and political will to reach early agreement. The benefits for developing countries might nevertheless be marginal, and it was currently essential to consider how the primary trade and development objectives of the developed countries might be best promoted and realized. Otherwise, the inequities in the international trading system would continue to delay global economic integration and the realization of the Millennium Development Goals and the internationally agreed development goals.

67. The political focus on climate change worldwide presented both a challenge and an opportunity for developing countries. The Group of 77 and China would establish its own position and strategy to address the issue at several upcoming forums, within the context of sustainable development. Emphasis would be placed especially on the principle of common but differentiated responsibilities between developed and developing countries. At the Bali Climate Change Conference and other events, Member States would have to agree on an international response strategy taking into account important issues, from sustainable development to appropriate implementation mechanisms.

68. Access to technology was critical for sustained economic growth and development in a knowledge-driven world economy. It was important to agree on the best ways for developing countries to access and transfer technology, including measures to deal with the constraints of the global intellectual property rights regime. Research and development on the problems and priorities of developing countries should also be encouraged, including through appropriate private sector incentives.

69. Growth and development were not possible without improved use of energy. It was necessary to forecast energy supply and demand in the coming decades, and to reflect on the steps required to ensure sustainable development in light of those figures. The United Nations and other concerned organizations should collaborate in formulating an internationally agreed strategy on energy for sustainable development.

70. Finally, rich countries could not continue to determine the policies and parameters of the global financial, monetary, trade and technology systems that had a significant impact on the destiny of the poorest countries. The international community must agree on measures to ensure equity in international decision-making on economic and social issues, particularly in the Bretton Woods institutions.

71. The High-level Panel on System-wide Coherence had drawn up a series of recommendations for improving the efficiency and effectiveness of the United Nations development cooperation activities. The recommendations must be reviewed in order to ensure the fulfilment of several objectives, including: the universal, grant, voluntary and impartial nature of United Nations operational activities conducted for the

benefit of recipient countries at their request; the acceptance by all of the principle of national ownership in the formulation and implementation of national development strategies; sufficient untied funding for the realization of national goals in pursuit of the Millennium Development Goals and internationally agreed development goals; harmonization and streamlining of the business practices of United Nations funds and agencies; and the coordination and harmonization of United Nations assistance with other multilateral and bilateral development assistance.

72. The Triennial Comprehensive Policy Review should determine the course of United Nations operational activities. Furthermore, it should be driven by the vision of a stronger role for the United Nations on development issues, and by the need to fully implement all agreed commitments.

73. The Group of 77 and China had already expressed concerns related to United Nations Development Programme involvement in human rights, its intention to serve as intermediary between Governments and civil society, the disregard of national priorities when allocating resources, and efforts to suggest policy directions to national Governments. The overarching principle of United Nations operational activities was national ownership and leadership of the process and outcomes by the programme countries. The Group welcomed the Administrator's commitment to issuing an updated version of the Strategic Plan at the first regular session of the Executive Board in January 2008 and hoped that it would be further improved in light of the agreement reached in General Assembly resolution 59/250 on the Triennial Comprehensive Policy Review.

74. It was important to consider steps to ensure implementation of agreed goals and commitments by concerned Member States. Clear, time-bound targets should be established for the fulfilment of Millennium Development Goal 8 and other goals relating to finance, trade, ODA and technology. Consideration should also be given to transforming those targets into more binding commitments, as had been suggested in the context of climate change.

75. It was crucial to strengthen the machinery for the monitoring and implementation of the Millennium Development Goals and the internationally agreed development goals. The current session should be used to achieve consensus on establishing a monitoring

mechanism to track and encourage the implementation of those goals. The first Annual Ministerial Review and the Development Cooperation Forum could be useful in that connection. The Group of 77 and China expected the developed countries to present their strategies for achieving the Millennium Development Goals, particularly Goal 8, during the Annual Ministerial Review. It would be useful to know the extent to which their policies were in line with the guidelines for aid effectiveness and the status of implementation of the commitments undertaken under the internationally agreed development goals.

76. The international community would also have to be mindful of the specific challenges facing the least developed countries, landlocked developing countries and small island developing States, and be responsive to their national plans and strategies for development.

77. **Ms. Asmady** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the High-level Event on Climate Change had demonstrated the international community's strong commitment to overcoming a serious threat. In that context, the Bali Climate Change Conference would set the stage for a just climate regime in favour of development and the poor. The High-level Event was also a stark reminder of the existing poverty that continued to plague the developing world; the expectations of developing countries had yet to be met in that regard.

78. There must be bolder, more rapid action for the implementation of existing international commitments to poverty eradication and sustainable development. ASEAN was hopeful that the forthcoming High-level Dialogue on Financing for Development would play an important role in putting development efforts back on track.

79. Developing countries should continue to foster a climate hospitable to economic growth. Natural resources should be used wisely in the interest of present and future generations. In addition, developed countries should spare no effort to establish an open, rules-based, predictable and non-discriminatory trading system for developing countries. With that in mind, the Doha Round should resume and conclude as quickly as possible. Emphasis should be placed on the participation of developing countries in the decision-making process within international financial institutions.

80. While ASEAN itself represented a rapidly developing area, it recognized that the Asian region still accounted for a significant proportion of the world's poor. Poverty eradication and achievement of the Millennium Development Goals was therefore a continuing priority for ASEAN. To that end, it was seeking to promote the implementation of the Vientiane Action Programme with greater support from the international community.

81. **Mr. Rodger Young** (United States) said that good governance, market liberalization and private sector development all generated success in trade and development. However, as the benefits of economic growth could be unevenly distributed, some countries remained vulnerable to external economic shocks. To limit such risks and reduce global imbalances, the United States encouraged countries to adopt economic policies grounded in good governance, democratic institutions, market systems and respect for all human rights.

82. Partnerships between developed and developing countries continued to be essential to increasing economic development on a global scale. International assistance and debt relief was also important in supporting developing countries; in that connection, the United States had pursued a number of initiatives related to debt relief and development grants.

83. Foreign direct investment and a vibrant private sector could increase economic growth. The United States was a strong advocate of a stable and predictable investment climate, which attracted greater domestic and foreign direct investment. Without appropriate enforcement of contracts and respect for property rights, economies could not reach their full potential. Furthermore, public-private alliances provided an innovative model for improving social and economic conditions in developing countries.

84. The United States also continued to be a strong advocate of the Doha Development Agenda and encouraged greater international trade and development. Successful completion of the Doha Round thus remained a top priority. However, issues under discussion should be negotiated in the World Trade Organization, as it was counterproductive for the United Nations General Assembly to attempt to predetermine the outcome of such issues already under negotiation. Rather, the Second Committee should focus on progress in the agreed development agenda.

85. The United States considered climate change to be a serious issue and had recently hosted a major meeting with a view to developing a broader consensus on a new international approach to energy security and climate change, which would in turn contribute to a global agreement by 2009 under the United Nations Framework Convention on Climate Change. He looked forward to contributing to negotiations at the Bali Climate Change Conference in December. In addition, as the largest bilateral aid donor, the United States supported the General Assembly's efforts to attain the internationally agreed Millennium Development Goals and was fully committed to increasing the effectiveness of all aid, in line with the 2005 Paris Declaration.

86. His delegation remained steadfastly committed to reducing and reversing the spread of HIV/AIDS and, more generally, supported continued focus by the international community on greater strides towards achieving development goals.

87. Finally, successful long-term development could not be achieved without good governance, a robust private sector, a free market and economic growth. The Triennial Comprehensive Policy Review should recognize, promote and mainstream such elements across United Nations development activities.

88. **Mr. Chulkov** (Russian Federation) said that Russia was working to strengthen its potential for providing assistance to countries in need. In that connection, it was observing the current reform of United Nations development assistance with great interest, based on the understanding that its ultimate objective was to increase the effectiveness and efficiency of United Nations institutions with regard to the socio-economic development of each programme country. He was concerned, however, by the increasingly evident polarization of positions and growing attempts to politicize the work of the United Nations in that area. To ensure the efficiency of the Organization, it was essential to strictly observe the principles set out in the intergovernmental decisions regarding multilateral development assistance. Otherwise, there was a real danger that United Nations development assistance might lose its competitive advantage over other forms of assistance and become associated with negative characteristics such as politicization and conditionality. That would in turn greatly reduce the efficiency of such assistance and its relevance to recipient countries' urgent needs.

89. His delegation attached particular importance to the forthcoming Triennial Comprehensive Policy Review and urged Member States to demonstrate responsibility by drawing up a comprehensive, balanced and practical resolution. Furthermore, while national Governments must exercise leadership, it was crucial that the programmes and funds fully comply with the mandates given to them by intergovernmental decisions.

The meeting rose at 12.55 p.m.



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Second Committee

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Chairperson: Ms. Lintonen (Finland)

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General debate (*continued*)

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07-53142 (E)



The meeting was called to order at 3 p.m.

General debate (continued)

1. **Mr. Nguyen Tat Thanh** (Viet Nam) said that although remarkable progress had been achieved in implementing the Millennium Development Goals and other internationally agreed development goals, significant global imbalances and inequalities persisted. Extreme poverty, epidemics, environmental pollution, natural disasters and climate change posed serious threats to human life. If those pressing problems were to be resolved and the Goals were to be achieved within the originally agreed time frames, it was high time for concerted international cooperation on a wide range of issues, including the environment, trade and development finance.

2. His delegation welcomed the fact that the international community was paying due attention to the impact of climate change on development prospects, as evidenced by the High-level Event on Climate Change convened on 24 September 2007 by the Secretary-General on the topic: The future in our hands: addressing the leadership challenge of climate change; the Informal Thematic Debate on Climate Change as a Global Challenge initiated by the President of the General Assembly, and other relevant side events.

3. His country was fully aware of the fundamental connections among the issues of energy security, climate change and sustainable economic development and was on track to achieve its climate change objectives under the United Nations Framework Convention on Climate Change and the Kyoto Protocol to the Convention. In keeping with its commitment to the development of clear long-term international and national climate strategies providing targets, support and incentives for the business community, his country hoped that the thirteenth session of the Conference of the Parties to the Framework Convention and the Third Meeting of the Parties to the Kyoto Protocol, to be held in Bali in December 2007 would yield a major breakthrough and devise practical collaborative approaches for addressing climate change.

4. He reiterated his delegation's long-standing advocacy of a transparent and just system of international trade in which the comparative advantages of developing countries were not undermined by arbitrary and abusive non-tariff and

other barriers. Special and differential treatment should be accorded in full to developing countries, especially the low-income and least developed countries. Similarly, his delegation urged the elimination of all forms of agricultural export subsidies and favoured enhanced market access for goods and services of developing countries and the facilitation of technology and knowledge transfers to those countries. The impasse impeding progress in the Doha Development Round must be broken in the interest of reaching agreement on a truly meaningful development package.

5. On the question of development finance, ODA levels were declining and development financing was still subject to conditionalities, notwithstanding commitments made by donor countries to earmark 0.7 per cent of GNP for development and the commitments contained in the Monterrey Consensus of the International Conference on Financing for Development. Accordingly, the United Nations and all Member States should redouble their efforts to increase aid for trade and create new mechanisms for innovative financing. In that connection, his delegation looked forward to the forthcoming High-level Dialogue on Financing for Development.

6. The Second Committee should place development at the centre of the agenda of the United Nations and should facilitate an enhanced partnership with concrete results, as agreed upon in the Outcome of the 2005 World Summit. The United Nations should be the leading advocate for and guarantor of a more open, predictable and equitable multilateral trading system. His delegation therefore attached great importance to the restructuring and revitalization of the economic and social systems of the United Nations and strongly supported initiatives aimed at strengthening the United Nations and its links with other multilateral and trade institutions, particularly in order to accelerate implementation of all commitments made by Governments, and especially those on hunger and poverty eradication, sustainable development and financing for development. His country also strongly supported the One UN initiative and would work closely with relevant United Nations partners to make it a reality in Viet Nam in the foreseeable future.

7. **Mr. Takasu** (Japan) said that concern for human security, based on the belief that every individual is entitled to live a healthy, dignified and fulfilling life, should guide efforts to resolve the challenges posed by global development issues. The benefits of that

approach were manifest in the equitable development of many countries, including Japan after the Second World War and South-East Asian countries after the Asian financial crisis of 1997-1998.

8. The remaining obstacles to achieving the Millennium Development Goals by 2015 must be identified and remedial action must be taken. His delegation was encouraged that the 2007 report on the Goals indicated that progress was being made in several regions, including Asia, and he cited relevant statistics in that regard. However, much remained to be done, inter alia, to alleviate poverty and improve health and sanitation conditions. Honouring commitments already made was more important than entering into new ones. Japan, for its part, was striving to meet its commitment to increase its ODA by \$10 billion between 2005 and 2009. Assistance must contribute to meeting human security needs and must be measured in terms of real change on the ground.

9. In order to improve aid effectiveness, developing countries, which bore the primary responsibility for meeting the basic needs of human security, must embrace ownership and endeavour to strengthen fiscal discipline and governance. Development actors, including traditional and emerging donors, vertical funds and private foundations, should work in a transparent manner and create synergies by coordinating their assistance in keeping with the Paris Declaration on Aid Effectiveness.

10. Development in Africa was crucial to the achievement of the Millennium Development Goals. Although many African countries were experiencing robust growth, many struggled with such threats to human security as poverty, hunger, conflict and infectious disease, and had made scant progress towards the Goals. If Africa was to become a vibrant continent, its economic growth must be enhanced and sustained; human security must be ensured through the achievement of the Goals, the consolidation of peace and democratization; and environmental issues and climate change must be addressed.

11. His country was making steady progress in fulfilling its commitment to double its ODA to Africa by the end of 2007, and that assistance was yielding tangible benefits. In 2008 it would host the Fourth Tokyo International Conference on African Development, which it hoped would mobilize the

knowledge and resources of the international community.

12. The Triennial Comprehensive Policy Review was critically important to ensure the effectiveness of the operational activities of the United Nations system. The recommendations of the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment and the relevant discussions in the General Assembly should be taken into account in that connection. In particular, the results of the eight "Delivering as one United Nations" pilot programmes must be carefully analysed and evaluated. As to "One UN" at the country level, the dual role of UNDP resident coordinators should be clearly defined in order to improve the functioning of the resident coordinator system.

13. Negotiations on development strategies had recently become more protracted and polarizing, particularly with regard to the relationship between human rights and development. He emphasized in that connection that, as stipulated in the Outcome of the 2005 World Summit, sustainable human-centred development could not be achieved without recognizing the nexus between peace, development and human rights and pursuing those objectives in an integrated manner.

14. With regard to climate change, his delegation welcomed the recent convening of the High-level Event on Climate Change and the decision of the President of the General Assembly to consider climate change a priority issue. Japan had proposed at the Event that global emissions of greenhouse gases should be reduced to one half of current levels by 2050. It had also proposed that three principles should govern a framework for action on climate change after the expiration of the Kyoto Protocol in 2012. First, all major emitters must participate in the framework. Secondly, the framework must be flexible, inclusive and diverse. Thirdly, environmental protection and economic growth must be achieved in a compatible manner, primarily through the development of environmentally friendly technologies.

15. At the same Event, his country had also proposed the establishment of a new financial mechanism to support countries aspiring to reduce greenhouse gas emissions and achieve economic growth in a compatible manner. His delegation hoped that the

Second Committee's deliberations would contribute to successful negotiations at the Meeting of the Parties to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, to be held in Bali in December 2007. His country would also encourage progress towards a new framework on climate change at the Group of Eight Hokkaido-Tokyo Summit in 2008 and would report the results to the United Nations.

16. **Mr. Ramzy (Egypt)** said that it was crucial for countries to demonstrate the political will required to strengthen the role of the international multilateral system, and primarily the United Nations, in tackling development issues. Commitments already made to advance development must be honoured, and trusting relationships must be restored between developing and developed countries. His delegation viewed with concern attempts to undermine the role of the United Nations system by addressing development issues outside the United Nations framework in new so-called multilateral forums.

17. Although some developing countries had made commendable progress thus far towards achieving the Millennium Development Goals, others clearly would fail to do so. His delegation therefore welcomed the various initiatives by developing and developed countries to foster the achievement of the Goals including, respectively, the establishment by the Islamic Development Bank of a special fund for that purpose and the call for action by the United Kingdom Prime Minister for developed countries to honour their own commitments and mobilize a global partnership to deliver the agreed targets by 2015.

18. The ongoing preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008, would provide impetus to efforts at the current session of the General Assembly to address the new challenges that had emerged since the Monterrey Conference. The deliberations should ensure an honest evaluation of the status of implementation of the Consensus; a clear determination of existing and new challenges and obstacles, taking into account best practices and lessons learned; and substantive consideration of the proposed initiatives. Participants should steer agreements reached towards effective implementation.

19. He noted with concern that current projections envisaged a decline in the resources needed to achieve

internationally agreed goals and the increasing trend towards allocating resources through extrabudgetary and earmarked projects. That trend ran counter to the concept of multilateralism and the principle of national ownership and respect for national development priorities.

20. His delegation urged the resumption of the Doha Round. The participants should address outstanding issues such as agricultural subsidies and market access for non-agricultural commodities and trade services with a view to reaching a balanced agreement reflecting the interests of the various parties and avoiding the introduction of double standards.

21. Efforts thus far to reform the international financial system had not yielded significant progress. The institutions concerned, in particular the International Monetary Fund (IMF) and the World Bank, should adapt their methods of work to developments at the national and international levels. They should strengthen their role by implementing measures to ensure internal good governance, efficiency, transparency and accountability. In order for IMF and the World Bank to become more democratic, they should increase the voice and participation of the developing countries in international economic decision-making.

22. High expectations had been generated recently by the increasing political momentum in support of meaningful measures to effect climate change. There was also a concomitant risk of disappointment and negative implications for the future of mankind should no agreement be reached on the global environmental challenges to be discussed at the forthcoming conference in Bali. The developing countries, including Egypt, called for clear and fair collective international efforts to address the challenges involved. Those countries required assistance so that they would be able to play an effective role and adapt to the impacts of climate change. He reaffirmed the crucial role of the United Nations Framework Convention on Climate Change as the primary instrument for addressing the topic at the international level.

23. Although progress towards strengthening the Economic and Social Council had been slow, his delegation welcomed the convening of the Development Cooperation Forum in Geneva and the Council's decision to convene an Annual Ministerial Review. It hoped that those new mechanisms would

prove to be constructive tools for monitoring the implementation of agreements and decisions reached at relevant summits and conferences and would facilitate the strengthening of the Council.

24. The African continent, which bore the heaviest economic, health, environmental and humanitarian burdens, had been marginalized in the international economic arena. Intensive efforts were therefore needed to support development on the continent and strengthen forums established for that purpose, such as the New Partnership for Africa's Development (NEPAD). The Second Committee should address development issues in Africa under a separate agenda item, in conjunction with consultations in the General Assembly focused primarily on supporting NEPAD.

25. Special attention should be devoted to the problems of the least developed countries, landlocked developing countries, small island developing States and post-conflict countries. The needs of middle-income countries also merited special attention; in that connection, the convening of intergovernmental conferences on middle-income countries provided valuable opportunities to address a variety of relevant issues.

26. His delegation called on all Member States to help strengthen the role of the Commission for Social Development as the principal United Nations forum responsible for addressing important development issues within a comprehensive framework based on the economic, social and environmental pillars of sustainable development.

27. The process of conducting Triennial Comprehensive Policy Reviews of operational activities of the United Nations development system had proved beneficial. His delegation hoped that all parties involved would work to strengthen the process so that such activities would affirm the Organization's role in responding to the priorities and aspirations of the people of its Member States.

28. Egypt had made a positive contribution to intergovernmental consultations on the recommendations in the report of the High-level Panel on United Nations System-wide Coherence and believed that an integrated approach was required that balanced the priorities of all parties, respected the principle of national ownership and national development strategies and avoided polarization.

29. In conclusion, he urged delegations to spare no effort to improve the lives of the millions of people who aspired to the right to development and a brighter future with less suffering. To that end, he cautioned against adopting general language with no added value or reverting to language that failed to take new realities into account.

30. **Mr. Benmellouk** (Morocco) said that the negotiations for a post-2012 climate change regime required a balanced agreement that reconciled the need to combat global warming, common but differentiated responsibilities, and the imperatives of the economic and industrial development of the countries of the South. The High-level Event convened by the Secretary-General and the General Assembly discussions had brought to the fore the urgency of collective action in order to reach such agreement.

31. Turning to the strengthening of the global partnership for development, he said intensified cooperation for development was a vital requirement for addressing current international challenges. The discouraging downward trend in ODA showed that the promises, commitments, and the US\$ 150 billion required to implement the Millennium Development Goals were all far from being a reality.

32. Moreover, the stalemate over the Doha Round had aggravated the drop in ODA. Developing countries' export prospects had declined, owing to escalating protectionism. Member States and development partners must take advantage of forthcoming events, such as the Follow-up International Conference on Financing for Development, to be held in Doha in 2008, to revitalize the global partnership entered into at Monterrey, breathe new life into international cooperation, and renew countries' hopes of attaining their development targets, including their Millennium Development Goals.

33. He stressed the need for an evaluation of the Monterrey Consensus; new ways of enhancing it, including through new markets; and fresh thinking on innovative financing sources, such as the International Drug Purchase Facility (UNITAID). His delegation fully supported the United Kingdom proposal to hold a summit on progress towards the Millennium Development Goals and was committed to mobilizing the support needed to combat poverty throughout the world, in a spirit of international solidarity. Many

countries had seen their chance to implement the Goals evaporate; without the promised resources for developing the appropriate national strategy, many sub-Saharan African countries had made a poor start towards the achievement of even one Goal.

34. The Triennial Comprehensive Policy Review was of particular interest to the Committee and coincided with the ongoing process on the coherence of United Nations activities on development, environment and humanitarian assistance. The challenge ahead was to follow up on the reforms now under way. Indeed, much more needed to be done in order to ensure the kind of coherence and coordination that would enable the system to respond more affectively to recipient countries' needs. A major challenge was to improve the predictability, stability and reliability of financing so that cooperation programmes could be aligned with national development strategies. All parties should make a concerted effort to that end.

35. Morocco supported the convening of a United Nations conference to promote South-South cooperation, which would provide an opportunity to explore South-South and triangular cooperation.

36. **Ms. Jahan** (Bangladesh) said that while unprecedented growth in the global economy had led to significant, albeit uneven, development in many developing countries, the least developed countries remained trapped at the bottom of the ladder. Some of them had even regressed. The least developed countries would be unable to achieve the Millennium Development Goals without special attention from the international community, in line with the commitments set out in the Brussels Programme of Action.

37. The net outward flow of financial resources from developing to developed countries had more than trebled since 2000; sub-Saharan Africa had experienced an outflow for the first time, making the negative transfer to developing countries a universal phenomenon. The developing countries owned 70 per cent of total foreign reserves, which sat almost idle, forcing them to borrow at very high interest rates to finance their development. The international community must reform the system through a mechanism that afforded the least developed countries interest-free loans against their own reserves.

38. The heavy bias of the current trading system against the least developed countries must be reversed. She called for an expeditious conclusion of the Doha

Round, which should deliver on development promises and provide duty-free and quota-free access for all products from the least developed countries. She welcomed the offer made along those lines by some countries of the South and urged other developing countries to do likewise. The Global System of Trade Preferences among Developing Countries needed to be strengthened and adjustment costs must be fully compensated. Trade capacity-building for the least developed countries was critically important. The Aid for Trade Initiative should be internationalized immediately so as to help the least developed countries address their supply-side constraints. Expeditious measures to liberalize the market for service providers under Mode 4 of the General Agreement on Trade in Services would help address the huge unemployment problem in the least developed countries.

39. Given the scant progress made since the International Conference on Financing for Development, the global community must boost its efforts to meet the financing commitments undertaken at Monterrey; in that connection, the 2008 Follow-up Conference afforded a glimmer of hope. With current and projected levels of ODA to the least developed countries falling far short of the 0.2 per cent target and subject to distributive inequities, the problem needed to be addressed as a matter of urgency. Moreover, the Multilateral Debt Relief Initiative (MDRI), however welcome, was not sufficient; all outstanding debts of the least developed countries should be cancelled immediately. Grant-based development assistance would avert the recurrence of unsustainable debts.

40. The post-Kyoto regime must be based on more realistic and legally binding emission-reduction targets. Concrete commitments must also be undertaken to enable the least developed countries to meet their adaptation needs, and climate refugees must receive adequate protection. Access to energy, especially renewable energy, at affordable prices was essential for the least developed countries' attainment of their Millennium Development Goals and other internationally agreed development goals. Regarding the global financial system, measures to increase the quota for some countries did not sufficiently redress the imbalance in voting power in IMF; the new quota formula must be weighted in favour of the least developed countries, whose voices must be heard in the Bretton Woods institutions.

41. The 2007 Triennial Comprehensive Policy Review would afford an ideal opportunity to calibrate the issues relating to the reform of the United Nations system. An effective monitoring and evaluation mechanism was equally crucial for achieving the time-bound goals set at the Millennium Summit. The Committee should play a key role to that end.

42. **Ms. Blum** (Colombia) said that her country was firmly committed to human, social and economic development policies and to the development of an entrepreneurial society, as opposed to State or private monopolies. Accordingly, her Government had embarked on efforts to ensure a democratic, lean and efficient State and a flourishing, socially responsible private sector. The goals established under its Democratic Security Policy — which were more ambitious than the Millennium Development Goals — had helped to advance the fight against terrorism, protection of human rights and social achievements.

43. Colombia's economic growth had risen from 4 per cent during the period 2004-2006 to 7.6 in the first half of 2007, owing to the expansion of domestic demand and increased investment. The Government was implementing a responsible fiscal policy, anchored on the criterion of public expenditure sustainability, in order to maintain that performance. Poverty had been reduced from approximately 60 per cent in 2002 to 45 per cent in 2006 and the Government aimed to bring it to below 15 per cent by 2010; unemployment, which had been over 20 per cent in 2000, had dropped to 10.6 per cent in August 2007; per capita income had almost doubled; workers' affiliation to social security had increased by 40 per cent; and the Gini coefficient of income distribution had improved for the first time in decades.

44. Although countries were primarily responsible for their own development, they needed international support, and the Committee's agenda offered a new opportunity to strengthen the commitment of the General Assembly in that regard and make it more action-oriented. Despite the developing countries' efforts at open trade practices, the distortions of international markets hindered the consolidation of an equitable, transparent system so necessary in the context of globalization. She stressed the need for mechanisms to overcome the obstacles to the successful conclusion of the Doha Round, which must become a genuine Development Round that would

guarantee developing countries greater access to international markets.

45. The multilateral cooperation system must not discriminate against middle-income countries but rather accord them sufficient ODA and other forms of aid to fight poverty and pursue their development. New and predictable international resources were needed for the global partnership for development. Colombia also supported the proposal to declare a second Decade for the Eradication of Poverty, which could set the stage for new strategies in that area.

46. The Triennial Comprehensive Policy also deserved special attention. Discussions on improving the coherence and effectiveness of development should focus on national capacity-building to help countries move from humanitarian assistance to development and assume national ownership. Her delegation advocated improved coordination between Governments and United Nations agencies to ensure that the latter fully respected countries' sovereignty and tailored their activities to national priorities.

47. On the subject of climate change, Colombia, given its special geographic and climatic conditions, called for a deeper international commitment to help meet developing countries' adaptation needs. Financial support, and knowledge and technology transfer were also urgently needed to foster voluntary mitigation activities. Colombia sought international support for its "Forest-keeper Families Programme" aimed at combating the cutting down of tropical forests and the cultivation of illicit crops. She urged the General Assembly to promote greater recognition of the importance of tropical forests to climate stabilization worldwide. Lastly, on the subject of renewable sources of energy, her country had made significant progress in the production of biofuels from sugar cane and palms at no risk to food security.

48. **Mr. Liu Zhenmin** (China) said that the international community, in particular the developed countries, should fulfil their commitments by increasing ODA — which had fallen in 2006, reducing or cancelling debts, opening up markets and promoting technology transfer to enable developing countries to overcome obstacles to their development. The international economic architecture must reflect the changes in the international landscape by allowing developing countries a greater voice with a view to establishing a more just international economic order.

49. Efforts to mobilize financing for development should be intensified. Effective measures needed to be taken to implement the Monterrey Consensus and to integrate governments and private-sector actions. The international community must assist with capacity-building in the developing countries so that they could raise funds and avert financial risks. The 2008 Follow-up International Conference on Financing for Development would afford an ideal opportunity to that end. The multilateral trading system must be fair, open and non-discriminatory and the parties concerned should abolish protectionism, remove trade barriers, establish a fair and competitive trading system, handle trade disputes appropriately and avoid politicizing trade issues. He called for an early conclusion of the Doha Round of negotiations and hoped that the major developed countries would be flexible on issues such as subsidy reduction.

50. The United Nations should play a leading role in addressing climate change, which was, in the final analysis, a development issue, and one closely bound up with economic growth and sustainable development. The United Nations Framework Convention on Climate Change and its Kyoto Protocol should remain the core mechanism for addressing the issue, on the basis of common but differentiated responsibilities. Developed countries should reduce greenhouse gas emissions and offer the developing countries financial assistance to pursue clean development, and the developing countries, in turn, must slow the pace of their greenhouse gas emissions. The United Nations had a leading role to play in that area.

51. A monitoring and evaluation mechanism for international development cooperation should be established to implement the Millennium Development Goals, while the Triennial Comprehensive Policy Review should provide guidance on priority areas for development for the coming years. The universal, voluntary and grant nature of assistance should be maintained in operational activities.

52. China's economic development had been rapid, and it had increased its support to the developing countries. It was now implementing five major measures aimed at supporting the accelerated development of developing countries, as well as agreements reached at the Beijing Summit on the Forum on China-Africa Cooperation. As the largest developing country in the world, China faced many difficulties, such as low standards of living, unbalanced

development and mounting environmental pressures. Its scientific approach to development put people first and strove for all-round, coordinated and sustainable development. It took product quality and safety seriously and had boosted consumer confidence.

53. His country had launched the National Climate Change Programme and was endeavouring to improve energy efficiency. To address the imbalance in international payments, the authorities were adjusting the economic structure, expanding domestic demand and reducing preventive saving. China also held firm to a new industrialization strategy characterized by high technology, high economic returns, low resource consumption, low environmental pollution and the full development of its human resource potential. Its goal was to promote healthy interaction between the social and economic system and the natural and ecological system and the integral development of the economy and society, as well as the well-rounded development of its people.

54. **Mr. Tarragô** (Brazil) said that although the global economy had shown extraordinary growth and stability over the past decade, growth and development were not necessarily synonymous. Ensuring that the benefits of growth reached all nations and all strata of their populations was a critical challenge for the United Nations. Many attempts had been made to respond to that challenge over the past 60 years, including at the United Nations Conference on Environment and Development, held in Rio de Janeiro in 1992, and, more recently, with the establishment of the Millennium Development Goals. The international community should take advantage of that exceptionally positive period to create an economic and political environment conducive to achieving the Goals within the agreed time frame. Despite impressive recent achievements in relation to sustainable development, much remained to be done in order to translate the Goals into reality.

55. Development made sense only if it reduced poverty and the unequal distribution of income. A successful Doha Round should therefore include the elimination or substantial reduction of barriers and subsidies to agricultural products so that developing countries could make full use of their comparative advantages. The Doha Development Agenda placed agriculture at the centre of the negotiations as the distortions in world agricultural trade were a

consequence of the industrialized countries' policies to support their inefficient agriculture.

56. Financial challenges included the recent turmoil which for the first time had originated in the developed economies and not in emerging markets. Vigorous growth in developing countries would limit the expected deceleration of the global economy. The international financial institutions had to take into account the increased weight of developing countries and increase their voting power.

57. The Doha Follow-up International Conference should examine new developments, including the successful launching of innovative financial mechanisms such as the "Action Against Hunger and Poverty" launched by Brazil, Chile, France and Spain. The Doha Follow-up Conference should also consider the insufficient levels and lack of predictability of ODA, the precarious harmonization among donors, the increased importance of remittances and the issue of including written-off debt as part of ODA.

58. International action on climate change should be concentrated on the United Nations Framework Convention on Climate Change and should follow the two fundamental principles of the Kyoto Protocol: the greater historic responsibilities of developed countries and the greater vulnerability of developing countries. A number of developing countries had made a significant contribution to mitigating that problem.

59. Brazil had reduced deforestation by half over the last two years and had one of the world's cleanest energy matrices. A successful biofuels project had created jobs and increased income and food consumption in rural areas. Brazil had proposed positive financial incentives to reduce emissions caused by deforestation in developing countries and had offered to host a 12-year review of the Rio Conference in 2012.

60. Stressing the importance of South-South cooperation, he said that India, Brazil and South Africa (IBSA) had set up the IBSA Fund, which currently supported projects in Guinea-Bissau and Haiti. Brazil had undertaken a wide range of bilateral cooperation projects involving members of the Community of Portuguese-Speaking Countries, in Africa and Asia and in many Latin American and Caribbean countries.

61. Brazil's technical cooperation was not tied aid and generally consisted of the provision of consultants,

technicians, training and capacity-building and equipment. Brazil had initiated triangular cooperation projects with the United States, Canada and Norway in some developing countries.

62. South-South cooperation was complementary to traditional technical assistance flows and should be accounted for separately. Brazil therefore supported the Argentine proposal to hold a new United Nations conference on that subject in Buenos Aires no later than 2009.

63. **Mr. Al-Fayez** (Saudi Arabia) said that his country had contributed some US\$ 6 billion towards debt alleviation in developing and least developed countries. Development and poverty eradication were indeed a joint moral responsibility to which concerted efforts should be devoted, with no hint of selectivity or conditionality, in the interests of achieving a global economic balance and laying the foundations for comprehensive economic development. Peace was another factor inescapably tied to development, the pace of which was potentially reversed by instability and conflict. As for efforts to reform the international trade and monetary system, they should continue to be pursued through existing institutions, with developing and least developed countries also working to present a more united front against the tremendous challenges to achieving their development goals and obtaining a greater role in the global economy. Equally vital for those countries were fair conditions for their membership of the World Trade Organization (WTO), market opening and the removal of export duties on their goods.

64. He stressed the fundamental role of the United Nations in such matters as promoting international cooperation, achieving internationally agreed development goals and ensuring developing country ownership of development programmes. Issues of economic development, social stability, environment and housing, inter alia, should consequently rank high on its scale of priorities. For its part, Saudi Arabia had given an average of 4 per cent of its gross national product (GNP), amounting to US\$ 84 billion, in assistance to developing countries over the past 30 years. The sustainability of development, he added, would be promoted by maintaining a balance among its social, environmental and economic pillars.

65. On the subject of tackling climate change, he held that the selective policies of certain industrial countries

were troubling; to dispense with fossil fuels was an impractical solution and Saudi Arabia instead advocated the wide use of technologies for their clean use. Saudi Arabia was also positively engaged in the global efforts to preserve the environment, having signed the international conventions on the subject, including the Kyoto Protocol. It emphasized the continuing development of energy technology as the main key to resolving various environmental problems, among them climate change, which called for an appropriate international response by all countries, in accordance with their common but differentiated responsibility.

66. In conclusion, he said that globalization should extend beyond opening up markets to include the widening of opportunities for all with a view to a better quality of life and an end to poverty, ignorance and disease. In that connection, stronger South-South cooperation was instrumental to achievement of the Millennium Development Goals and should serve as the driving force for the countries of the Group of 77 and China.

67. **Mr. Abushahab** (United Arab Emirates) said that development was the only way to achieve security, stability and prosperity for all peoples. His delegation renewed its call to all stakeholders in the development process to speed up implementation of all the recommendations and resolutions adopted at international development conferences and summits. The High-level Dialogue on Financing for Development to be held at the end of the current month would be a step in that direction.

68. In April 2007, his Government had launched the United Arab Emirates Strategy — the first binding programme of work to achieve balanced sustainable development on the basis of an economic policy package that included a free and open economic system, expansion of the production base, efficient use of oil resources, the development of non-oil sectors and human resources development bolstered by equal opportunities in education, health, social care, employment and training for all social groups. The private sector was assuming a greater role in economic development, and a favourable environment was being created for investment and small businesses. Information and communications technologies were being used in management and were becoming more accessible to the general population. National economic diversification plans had taken account of

environmental issues in accordance with Agenda 21. His country was contributing to the international partnership for development through a number of bilateral, regional and international economic agreements. Financial and in-kind assistance had also been extended to many developing countries and to those affected by conflict and natural disasters. His country had made a contribution of over \$70 billion, mainly in the form of grants, that had benefited 95 countries. Foreign nationals working in his country contributed over \$22 billion annually to financing development in their native countries.

69. **Mr. Sandino Montes** (Nicaragua) said that the Government of Reconciliation and National Unity of Nicaragua had reached an agreement with IMF that would enable the country to continue on its path of stability and development. Despite the fact that his Government had always been critical of IMF policies, which seemed to enrich a few countries rather than support progress, the IMF programme for Nicaragua had been approved.

70. His Government had also submitted a letter to IMF to formalize Nicaragua's appeal for resources for the Caribbean coast to help Miskito, Mayangna and Afrodescendent peoples and mestizo communities affected by Hurricane Felix. In the context of South-South cooperation and the consolidation of the Bolivarian Alternative for Latin America and the Caribbean (ALBA), specific action had been taken for reconstruction in the areas devastated by the hurricane.

71. The IMF agreement was based on the Government's financial and economic plan for 2007-2010, which focused on tackling poverty, creating wealth and jobs and establishing a climate that facilitated the optimal of foreign investment and national production capacity. For the first time, social indicators would be used to monitor progress in achieving the Millennium Development Goals. The three-year programme was designed to ensure that social indicators for school coverage, maternal mortality and drinking water coverage reached certain levels. Economic elements included the maintenance and development of a climate of security and confidence to facilitate foreign investment and support job creation. Nicaragua would also allocate 17.9 per cent of its GDP to the fight against poverty.

72. Under a Memorandum of Understanding between Nicaragua and the European Union, €214 million

would be invested over the next seven years in three important areas: governance and democracy, education, and economic development and the business climate.

73. As a member of ALBA, Nicaragua had signed various collaboration agreements which were an example for both donor countries and for South-South cooperation as cooperation was based on the concept of solidarity rather than altruism. Investment in development and solidarity were key to improving the distribution of wealth.

74. **Mr. Punkrasin** (Thailand) said that 2007 marked the tenth anniversary of the Asian financial crisis. Despite tough economic and financial reforms, the current global imbalances, which were mainly caused by the current account deficits of developed countries, posed serious threats to global financial stability. Hedge funds were an additional destabilizing factor. The imbalances could have drastic consequences if the issue was not properly addressed in a timely manner. More systematic guidance was needed from the international financial institutions to manage capital flows and reduce exchange rate volatilities. The Committee should strengthen its role in a global discussion on that issue.

75. Achievement of the Millennium Development Goals was an urgent matter and depended on the building of a global partnership. Developed countries had to honour their commitments, especially in relation to ODA. The forthcoming High-level Dialogue on Financing for Development would provide an opportunity to review the progress made and to engage in future collective action. South-South cooperation and triangular cooperation could serve as important platforms for achieving the Millennium Development Goals. Global partnership should not be limited to relationships among States. The Committee could be an engine for real global partnership for development by engaging partners at all levels to ensure that development meant win-win conditions for rich and poor countries alike. The Committee could also encourage South-South cooperation for the realization of the Millennium Development Goals and other internationally agreed development targets.

76. Sustainable development was not about aid: developing countries needed the opportunity to trade themselves out of poverty. The Committee should therefore provide guidance so that at least the modalities of the Doha Development Agenda could be

finalized within the current year. The United Nations Conference on Trade and Development (UNCTAD) could serve as a platform for discussion to provide guidance or policy options for all countries. Thailand was an active member of the Association of Southeast Asian Nations (ASEAN), which was working towards achieving a borderless community by 2015 and shared the same global aspirations for growth and prosperity in a sustainable manner.

77. **Mr. Badji** (Senegal) welcomed the degree of interest world leaders were showing in the issue of climate change, as evidenced by the recent High-level Event initiated by the Secretary-General, and the discussions in the General Assembly. The search for solutions must take into account the need for both radical change in people's day-to-day behaviour, in order sharply to diminish the causes of the problem and greater attention to the situation of the least well-off, who were the most under threat. Initiatives to combat global warming could not and must not be entrusted to governments alone, but rather should be based on a solid global partnership entailing a sharing of responsibilities and focusing on the needs of the most deprived. The entire issue of sustainable development should thus be re-examined from the point of view of the necessary balance between the demands of the environment and countries' need for development. Those two imperatives did not have to be at odds: they could and should be reconciled.

78. Given the scale of the tasks to be undertaken and the resources that would be needed, it was self-evident that the less wealthy countries would not be able to resolve their climate problems without significant assistance in the form of increased investments in the creation and use of clean and efficient forms of energy and the transfer of appropriate low-cost technologies. In that connection, Senegal welcomed the MDG Carbon Facility initiative, recently launched by the United Nations Development Programme as a contribution to the achievement of the Millennium Development Goals in the developing countries, through the promotion of projects to reduce emissions of greenhouse gases. The Global Environment Facility and the Kyoto Protocol's Clean Development Mechanism should play a major role in providing such assistance and should re-examine their uneven funding of African countries thus far.

79. Since the world did possess the technological capacity and the scientific knowledge to overcome its

present climate-related problems, it was to be hoped that the thirteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the meeting of the Parties to the Kyoto Protocol, to be held in Bali in December, would offer an opportunity to make significant progress to that end. As climate initiatives could be hampered by the same shortcomings that interfered with effective implementation of the various multilateral environmental agreements, it was urgent to proceed with the reform of international environmental governance by, inter alia, strengthening the authority of the relevant United Nations bodies and the United Nations Environment Programme in particular.

80. The concerns arising out of climate change must not be allowed to divert attention from other development issues, as poverty and underemployment remained major challenges for most of the countries of the South. Those countries were also extremely vulnerable to external factors, such as natural disasters and instability in world prices for raw materials, and were still facing the traditional obstacles, such as the vicious circle of debt, in which the countries of Africa remained trapped.

81. Yet another persistent problem was the mobilization of resources for development as pledges of funding for achievement of the Millennium Development Goals and of support for the New Partnership for Africa's Development had not been honoured. It was to be hoped that the Follow-Up International Conference on Financing for Development to Review the Monterrey Consensus, to be held in Qatar in 2008, would make it possible to correct the present imbalances and to begin to make the progress for which the world's poorer regions had been waiting so long.

82. Further, although globalization undoubtedly did have some advantages, thus far it seemed to have accentuated the marginalization of the great majority of the peoples of the South, primarily in Africa. The deadlock at the Doha Round, which had now lasted two years, only worsened poor countries' chances of ever benefiting from globalization.

83. Upgrading Africa's digital and technological infrastructure could greatly assist the countries on that continent to advance economically, enabling them to benefit from all the opportunities offered by access to the new information and communication technologies

(NICTs). That was the objective of the Global Digital Solidarity Fund proposed by Senegal on behalf of Africa at the World Summit on the Information Society held in Geneva in December 2003.

84. Despite economic and financial turbulence and the imponderables of globalization, Senegal was pursuing a policy of accelerated growth for the period 2006-2015 aimed at moving into the category of emerging countries by achieving a growth rate of 7 to 8 per cent over the longer term, doubling its GDP over 10 years and doubling the per capita GDP over 15 years. It was also implementing the second version of the Poverty Reduction Strategy for 2006-2010, based on the Millennium Development Goals, which had recently been approved at a round table between Senegal and its development partners. At the same time, Senegal was making efforts to improve its business environment, in particular by simplifying the administrative procedures for private investment, reducing the tax burden on companies, developing basic infrastructures and promoting good governance.

85. But the cost of oil, which was imposing an ever greater burden on public finances and budgetary equilibrium, could well jeopardize those plans and the social advances obtained through several years of hard work. That situation had prompted Senegal and other countries of Africa to establish the Association of Non-Oil-Producing African Countries (PANPP), which, inter alia, promoted the development of alternative forms of energy by exploiting the continent's potential as a producer of biofuels.

86. Furthermore, a move to biofuels, beyond reducing dependence on oil and oil-based products, would also contribute to preserving the world's environment. To that end, Senegal was combating maritime erosion, establishing 7,000 kms of tree plantations around the desert area and building reservoirs to hold rainwater. Senegal also remained committed to maintaining the progress it had achieved in education and health, advancement of women and the fight against infectious diseases such as malaria, tuberculosis and HIV/AIDS.

87. **Mr. Alahraf** (Libyan Arab Jamahiriya) said that it was important to support the development efforts of middle-income countries by providing technical assistance, establishing effective and transparent partnerships and promoting programmes designed to accelerate achievement of the Millennium

Development Goals. The strengthening of South-South cooperation was also crucial to the shared use of natural and human resources and represented a strategic option for the establishment of fruitful cooperation on a range of issues. On that score, the international community had a vital role to play by implementing the recommendations of the Group of 77 and China South Summits, which would lead to economic improvements and higher living standards. He welcomed plans to convene an international conference in Argentina in 2008 to follow up implementation of the Buenos Aires Programme of Action concerning technical cooperation among developing countries and the Doha Plan of Action concerning South-South cooperation.

88. Development was inextricably linked to globalization and trade liberalization, which broadened opportunities but also posed severe financial and economic challenges. The disturbing result was to create unequal advantages that ultimately increased the income gap between developed and developing countries. There was consequently a need for a global strategy that incorporated a development dimension and took into account intellectual property rights, technology transfer and access to drugs for killer diseases.

89. He stressed the need to devote adequate attention to the African continent, of which the Libyan Arab Jamahiriya was part, by strengthening the development activities of the African Union and NEPAD. United Nations programmes and agencies had a major role to play in that regard. In conclusion, he said that his country was determined to fulfil its obligations relating to achievement of the Millennium Development Goals and that it hoped for the support of all WTO member States in the completion of its negotiations for WTO membership, begun in 2004.

90. **Mr. Ndjonkou** (International Labour Organization) reported on some important policy decisions taken by the Organization in recent years. The 2005 World Summit Outcome and the 2006 Ministerial Declaration of the Economic and Social Council had both stressed the central role of productive and gainful employment and decent work in eradicating poverty, achieving sustained economic growth and providing a foundation for sustainable development. Various meetings had been held to reinforce decent work policy decisions at the regional level, and collectively those efforts had begun to pave

an important path to development by placing decent work at the centre of global and national policies.

91. Beyond those policy developments, it was important to focus attention on the 2.8 billion workers who remained unable to earn enough to lift themselves and their family members above the poverty line. Nor should it be forgotten that much remained to be done in order to achieve fair globalization. A world in which large numbers of people remained trapped in perpetual poverty with few opportunities posed severe global challenges.

92. The world was in search of a form of sustainable development that balanced economic, social and environmental objectives. There was a need to increase the demand for labour and raise the productivity and incomes of people living and working in poverty, integrate socially excluded communities into the labour market and overcome discrimination, particularly against women and girls, and improve the terms on which developing countries traded with richer countries and obtained investment finance.

93. The International Labour Organization continued to do its part to influence that process by assigning substantial resources through its Decent Work Country Programmes and by responding to country-driven demand for support, with particular emphasis on ensuring that the voices of workers and employers were heard. In Africa, employment and social protection for poverty reduction formed the backbone of the regional programme. In the Americas, decent work had been vigorously promoted as one of the most important factors in country-level policy development. In the Arab States, gradual trade liberalization and democratization had increased awareness of workers' rights. In Europe and Central Asia, freedom of association and social dialogue, employment and labour market policy, occupational safety and health, pension reform and targeted social assistance formed the mainstay of the programme. In Asia and the Pacific, a top priority had been employment and poverty reduction.

94. Decent work and sustainable development could not be viewed in isolation from each other. Decent work did not have to be traded off against environmental sustainability. Adapting to and mitigating climate change would entail new patterns of natural resource use and conservation. The

International Labour Organization was meeting the challenge through its "Green Jobs Initiative".

95. ILO had developed a toolkit on decent work to help the specialized agencies conduct self-assessments on the incorporation of decent work outcomes into their own programmes and activities. Coherent action among the organizations of the multilateral system was vital to the achievement of global goals. The start of a new session of the Second Committee provided an opportunity to galvanize efforts in search of coherent and complementary policies while overcoming past constraints. ILO stood ready to participate in wider partnerships in the domains to which it could bring the considerable experience of its tripartite constituency.

The meeting rose at 5.45 p.m.



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Chairperson: Ms. Lintonen (Finland)

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General debate (*continued*)

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07-53344 (E)



The meeting was called to order at 10.15 a.m.

General debate (continued)

1. **Mr. Kapambwe** (Zambia), speaking on behalf of the Southern African Development Community (SADC), said that the 2007 *World Economic Outlook* painted an overall positive picture for developing countries. However, growth of the global economy might slow, negatively impacting the most vulnerable economies. Therefore, SADC would probably not benefit fully from global growth. It was necessary to do more globally to address the growing disparity between developed and developing countries, and within developing countries themselves.

2. SADC countries were making great efforts to consolidate and strengthen integration in the subregion and were ready to establish a free trade area in 2008. While free trade had the potential to contribute to the economic and social development of the subregion, the issue of market access needed to be addressed internationally in the World Trade Organization. In that connection, he expressed concern about the stalemate in the Doha Round negotiations and called on developed countries to provide needed leadership for the rapid conclusion of the Doha Round.

3. The debt relief border ran the risk of slowing progress towards the internationally agreed development goals, including the Millennium Development Goals. Total debt cancellation remained crucial to freeing resources for the achievement of the Goals and SADC therefore called on all multilateral and bilateral creditors to join efforts in addressing the extreme indebtedness of some SADC countries.

4. Regrettably, most development partners had not met their obligation of contributing 0.7 per cent of their GNI to ODA. In addition, the Group of Eight Gleneagles promise of scaled-up ODA had not been kept and the recent G-8 meeting in Germany had not resulted in further commitments by countries to financing for development.

5. Efficiency of aid was also of major importance. Aid should be better aligned with national and regional development strategies and delivered in a coordinated manner with minimal transaction costs. It was essential to ensure that ODA provided to SADC countries was demand-driven.

6. SADC welcomed the forthcoming High-level Dialogue on Financing for Development and hoped that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus would address the issue of implementation of commitments made as well as new resources for financing for development.

7. SADC countries attached great importance to the universal, neutral, voluntary and grant nature of the United Nations operational activities for development, as well as to their ability to respond to the development needs of developing countries. Improving the effectiveness and efficiency of the United Nations system in delivering results at country level would contribute significantly to the achievement of internationally agreed goals, including the Millennium Development Goals.

8. Climate change could reverse development gains, especially in developing countries, since their capacity to respond to the impacts of climate change was limited or non-existent. SADC was working to mitigate the destructive effects of climate change, but recognized the urgent need to curb greenhouse gas emissions. Developed countries, whose emissions had contributed most to climate change, should take necessary action within the context of the United Nations Framework Convention on Climate Change and its Kyoto Protocol and negotiations should begin soon on the post-2012 successor framework to the Kyoto Protocol.

9. Although poverty was retreating globally, extreme poverty had grown in a considerable number of countries, including in the SADC subregion. The Committee should therefore continue to examine the issue of poverty eradication and establish a framework to ensure the regular assessment of progress. The community planned to convene an international conference on poverty and development, to be held in Mauritius in April 2008, and called on the international community to support that initiative.

10. Science and technology had a crucial role to play in achieving the internationally agreed goals, including the Millennium Development Goals. Globalization had tended to widen the technology gap between the developed and developing countries, and support was currently needed in the form of technology transfer. The rules that governed the acquisition of scientific

knowledge and technology should be made flexible for appropriate application. Technology transfer should be linked to capacity-building aimed at boosting the productive sectors of the economy that contributed to sustainable development.

11. SADC hoped that the current year's deliberations on sustainable development would focus on the important issues contained in the agenda of the sixteenth session of the Commission on Sustainable Development, including agriculture, which was especially critical in Africa. It was imperative to lay a sound base for the successful conclusion of that session, with the adoption of a holistic approach that took into account the principle of common but differentiated responsibilities.

12. **Ms. Mills** (Jamaica) welcomed the convening of the forthcoming High-level Dialogue on Financing for Development, which would set the stage for the Follow-up International Conference on Financing for Development to be held in Doha in 2008.

13. The Latin American and Caribbean region, composed primarily of middle-income developing countries, had the second-highest level of external debt. That was a reminder of the need for a comprehensive, effective, equitable, durable and development-oriented solution to the debt problems of developing countries, including middle-income developing countries. The assumption that middle-income developing countries did not require any special support from the international community was incorrect. A number of initiatives, including the high-level meetings convened in 2007 by the Governments of Spain and El Salvador, were intended to change that perception.

14. The promotion of trade and investment was of particular importance to the Government of Jamaica, as was the development dimension of the Doha Work Programme. Particular attention should be given to the differences in the levels of development among economies and the asymmetries that existed between developed and developing countries.

15. Good governance at both the national and the international levels was fundamental to achieving sustained economic growth and development. The United Nations had a critical role to play in that regard. One important mechanism was the strengthening of the Economic and Social Council, including through the Annual Ministerial Reviews and the Development

Cooperation Forum. Her delegation looked forward to the 2008 substantive session of the Council, which could build on the very useful discussions held during the summer of 2007. The United Nations had a critical role to play in promoting the development agenda, and Jamaica was committed to ensuring that the operational activities for development of the United Nations system and the discussions on system-wide coherence advanced that objective.

16. The issue of climate change also warranted special attention. As a small island developing State that continued to suffer the devastating impact of severe weather events linked to climate change, Jamaica advocated measures to support developing countries in their efforts to overcome the challenges associated with climate change. One area of particular interest was the provision of adequate resources and greater access to related technology. Her delegation expected that the momentum generated to date would result in meaningful action being taken at the Bali Climate Change Conference.

17. **Mr. Meñez** (Philippines) noted that there were similarities between financial instability and climate change. Both situations appeared to have been created primarily by developed nations and, in both cases, the poorest and most vulnerable nations would suffer the most if the situation were to deteriorate further.

18. The Philippines remained committed to pursuing all internationally agreed development goals, including the Millennium Development Goals, and was generally considered to be on track with regard to the Goals. Regrettably, that did not seem to be the case for a vast number of other countries. In that context, agenda items 52 and 53 took on extra significance. Under item 52, the Philippines was particularly interested in pursuing its innovative debt-for-equity initiative and urged all Member States to support it. Similarly, under agenda item 53, the Philippines looked forward to collaborating with all like-minded countries during the forthcoming High-level Dialogue on Financing for Development.

19. The Philippines had pursued a number of initiatives to assess the impact of climate change on the country, ensure strict compliance with emission standards and environmental regulations, make climate change a priority in policy formulation and legislation, and carry out a comprehensive programme on alternative energy sources. In addition, the Philippines

had actively contributed to regional calls for action, in which climate change was linked to the issue of energy security.

20. The Philippines planned to submit a draft resolution calling on the international community to save the mountains, and looked forward to the Committee's endorsement of the proposal.

21. Referring to General Assembly resolution 61/217 on special assistance for the Philippines, he said that, if the Secretary-General's progress report so warranted, his delegation would propose further action.

22. Finally, he informed the Committee that preparations for the second Global Forum on Migration and Development, to be held in Manila in October 2008, were well under way.

23. **Mr. Khazaei** (Islamic Republic of Iran) said that imbalances in the world economy continued to exist and that further international cooperation and a favourable global climate were necessary to boost the economy worldwide and to achieve sustained economic growth as well as sustainable development in developing countries. All States, particularly developed States, should spare no effort in seeking a successful conclusion to the ongoing international trade negotiations.

24. The current slow progress in multilateral trade negotiations and lack of appropriate multilateral agreements would not boost economic growth or contribute to eradicating world poverty. It was crucial to strengthen regional cooperation, especially among developing countries, as a means to achieve faster growth. North-South and triangular cooperation also remained crucial to improve the world economy and promote development.

25. The international financial institutions had not yet succeeded in introducing effective plans to help developing countries overcome their economic and financial problems with a view to achieving their development goals. In addition, the politicization of the institutions had been detrimental and violated their articles of agreement. He therefore firmly supported appropriate reform of the Bretton Woods institutions, including strengthening the participation and voting power of developing countries.

26. Adequate, stable financing remained a prerequisite for development in developing countries. The High-level Dialogue on Financing for

Development should therefore consider means to ensure the timely implementation of the commitments made at the International Conference on Financing for Development, including the target of 0.7 per cent of GNI for official development assistance by the developed countries.

27. Referring to the Intergovernmental Conference on Middle-Income Countries, he noted that 40 per cent of the world population surviving on less than two dollars a day lived in middle-income countries. It was therefore imperative to address poverty eradication in such countries as part of the international community's efforts to achieve the Millennium Development Goals.

28. Operational activities were crucial to the three pillars of sustainable development. The Triennial Comprehensive Policy Review should be based on national ownership, national development plans and the priorities of the recipients. It should help developing countries implement internationally agreed goals, including the Millennium Development Goals, particularly areas in which such countries were lagging. The Review should also stress the importance of the predictability, stability and increase of financial resources, access to and transfer of technology, and capacity-building.

29. Natural disasters seriously hampered the development efforts of both national Governments and the international community and it was important to increase international cooperation in that area. The international community should distinguish between weather-related disasters and those caused by geological features.

30. He noted with interest the deliberations held at the first Global Forum on Migration and Development in July 2007 and hoped that, by furthering discussion on such issues in other forums, all concerned countries would be able to maximize the advantages and minimize the disadvantages of international migration.

31. **Ms. Núñez Mordoche** (Cuba) said that, despite progress in some regions, the critical economic and social situation of the world overall had not improved. Developing countries still struggled against poverty, insufficient resources and marginalization, not to mention armed conflicts, natural disasters and disease.

32. Because of the unfavourable international environment and unjust world order, it seemed unlikely that the Millennium Development Goals would be

attained by 2015. To illustrate her point, she quoted statistics relating to, *inter alia*, the increasingly unequal distribution of wealth; the number of people living in extreme poverty; the number of people without access to clean water or sanitation; the under-five mortality rate from curable and preventable diseases; the number of children without access to primary education; the mortality rate from AIDS and, despite that, the percentage of AIDS-related drugs controlled by multinationals, the percentage of Africans without access to treatment and the percentage of the world's population who failed to receive regular medication; and the increasing external debt of developing countries. Furthermore, developing countries were still unable to access international markets owing to a lack of political will among developed countries, which clung to their unsustainable patterns of production and consumption, despite increasing environmental degradation. In addition, ODA was still well below the 0.7 per cent target. Paradoxically, the Millennium Development Goals could be attained with just 10 per cent of current military expenditure.

33. The application of coercive economic measures, unilateral sanctions and extraterritorial laws and regulations against developing countries posed a serious threat to freedom of trade and investment. Cuba had been a victim of such measures in the form of the 40-year-old — and ever-stricter — embargo imposed by the United States.

34. The High-level Dialogue on Financing for Development would provide an opportunity for intergovernmental follow-up to the International Conference on Financing for Development. Her delegation would work to find concrete solutions to such important issues as sustainable development, poverty and international cooperation.

35. The Triennial Comprehensive Policy Review of operational activities for development of the United Nations system would provide an opportunity once again to establish guidelines for the work of the funds and programmes, which should concentrate on promoting development and not on other activities increasingly unrelated to development.

36. **Mr. Labbé** (Chile) said that urgent action was needed to reduce greenhouse gas emissions, which were the main cause of climate change. The international community must work together and in conformity with the United Nations Framework

Convention on Climate Change and the Kyoto Protocol. All countries had a common but differentiated responsibility to protect the environment and the world's climate systems.

37. In view of the success of the previous month's High-level Event on Climate Change, he was hopeful that participants in the United Nations Climate Change Conference to be held in Bali in December would be able to produce a clear road map for beyond 2012. He also hoped that participants in the sixteenth session of the Commission on Sustainable Development would be able to reach agreement on the key issues to be discussed.

38. At the current pace, several regions would be unable to attain the Millennium Development Goals by 2015. Africa, in particular, required international support. If donors honoured their commitments regarding ODA and developing countries implemented appropriate policies, the outlook would be considerably better. Everyone must do their part.

39. To demonstrate its commitment to the Millennium Development Goals, the Committee should discuss the call for an extraordinary conference in 2008 and adopt a draft resolution calling for an international conference on South-South cooperation, as recommended by the High-level Committee on South-South Cooperation at its most recent session. The 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries urgently needed to be updated in order to reflect the increase in such cooperation. South-South cooperation could also boost efforts to attain the relevant goals and objectives by 2015.

40. The agreement reached on the United Nations Development Programme Strategic Plan 2008-2011 clearly demonstrated the commitment of all regional groups to the Millennium Development Goals. Noting the key role of science and technology in attaining those Goals, he called on the international community to redouble its efforts to narrow the digital divide. In view of the need for a strategy involving all interested sectors, his Government would be promoting cooperation, national capacity-building, and transparent and competitive markets.

41. The draft resolution on the Triennial Comprehensive Policy Review would provide a framework for the entire system for the next three years. It therefore needed to send a clear message that

United Nations system activities must focus on combating hunger, poverty and underdevelopment. Of equal importance was the draft resolution on the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008. His Government hoped that preparations for that conference would be open and inclusive and that an invitation would be extended to all parties involved, directly or indirectly, in financing for development, including the private sector and civil society. He reiterated his delegation's support for the two facilitators of those preparations and welcomed the initiative to convene a High-level Dialogue on Financing for Development later that month.

42. **Mr. Mansour** (Tunisia) recalled that participants in the plenary general debate had stressed that development determined global progress towards greater equilibrium, stability and peace, but also noted that the United Nations still fell short when it came to implementation, which must be at the heart of the Organization's development agenda.

43. Now that the midway point between the adoption and the deadline for the attainment of the Millennium Development Goals had been reached, an individual and global stocktaking exercise of achievements and constraints was needed. His delegation welcomed the proposal to hold a summit dedicated specifically to those Goals in 2008. The adoption of a second United Nations Decade for the Eradication of Poverty was also justified. Furthermore, as proposed by the Secretary-General in his report "In larger freedom: towards development, security and human rights for all" (A/59/2005), developed countries that had not already done so should establish timetables to achieve the 0.7 per cent target of GNI for ODA by no later than 2015. Poverty eradication required a global partnership based on cooperation and solidarity. Such values had inspired the decision to proclaim International Human Solidarity Day in 2005 and to establish the World Solidarity Fund in 2002.

44. Climate change affected all aspects of development and was symptomatic of the imbalances in the world economic order. Countries that sought to combat climate change and adapt to its adverse effects faced technological, financial, social and human challenges. It was very difficult, if not impossible, for developing countries to meet such challenges. Moreover, the regions least responsible for climate

change were the ones most affected by its devastating consequences and, therefore, the ones with the most pressing need to adapt. Developed countries had a moral responsibility to mitigate risks and help developing countries adapt. The international community must give concrete expression to the principle of common but differentiated responsibility. In that connection, Tunisia planned to organize an international conference on the impact of climate change and adaptation strategies in Africa and the Mediterranean region in November 2007.

45. Middle-income countries played an important role in stabilizing the global environment, but continued to be extremely vulnerable. Such countries still needed international support, whence the need to follow up the relevant provisions of the 2005 World Summit Outcome.

46. The digital divide continued to cause economic, social and cultural disparities. The international community should implement the outcomes of the second phase of the World Summit on the Information Society, held in Tunis in November 2005, in order to achieve an open, balanced and development-oriented information society. The implementation of the Summit agenda would be reviewed in 2015.

47. The international community should seize the opportunity provided by the High-level Dialogue on Financing for Development and the Follow-up International Conference on Financing for Development to give renewed momentum to the implementation of the Monterrey Consensus.

48. Lastly, he welcomed the establishment of the Millennium Development Goals Africa Steering Group.

49. **Ms. Gallardo Hernández** (El Salvador) welcomed the initiative to hold a High-level Dialogue on Financing for Development, as it would be a key element in the follow-up to the International Conference on Financing for Development. Just a few days earlier, El Salvador had hosted the second International Conference on Development Cooperation with Middle-Income Countries. Participants at that conference had adopted the San Salvador Consensus on Development Cooperation with Middle-Income Countries, which stressed the need for greater voice and participation for middle-income countries in international institutions and continued international support for national efforts to attain the Millennium Development Goals. Her country hoped that the issue

would be included in the agendas of international forums, meetings and conferences and would be seeking the support of the Rio Group and the Group of 77 and China in that regard.

50. There was a need to examine recent trends in capital flow towards developing countries and new initiatives aimed at strengthening international institutions and improving the flow and stability of financing for development. She welcomed efforts to further reform the Bretton Woods institutions, the objectives of which would be achieved only if their programmes and decisions took better account of the needs of and problems facing countries affected by their operations. Voting and representation rights must reflect the importance of emerging economies and ensure that low-income countries were properly represented.

51. Poverty eradication must be addressed in a comprehensive manner, in line with the Plan of Implementation of the World Summit on Sustainable Development. Developing countries must be integrated into the global economy. Furthermore, in order for everyone to benefit from globalization, economies needed to be stronger, internal markets larger and countries more productive and competitive. In order for a solution to be found to external debt and market access for developing countries, international financial architecture reform must be accompanied by greater transparency and effective participation by developing countries in decision-making processes. Moreover, a universal, duly regulated, open, non-discriminatory and fair multilateral trading system and true trade liberalization were essential to the successful conclusion of the Doha Round.

52. Remittances could mobilize resources for poverty eradication and attainment of the Millennium Development Goals and migrants must be offered safer, cheaper and quicker ways of transferring their money. Organizations had been set up specifically to enable migrants in developed countries to send private donations to development projects in their home communities.

53. South-South cooperation was essential for developing countries and an important addition to national efforts to achieve the Millennium Development Goals, triangular cooperation and regional cooperation. It was important to create more space for public-private partnerships. More must also

be done to promote capacity-building and facilitate access to technology and knowledge. Lastly, microcredit and microfinance were extremely useful tools, particularly for developing countries with limited resources.

54. **Mr. Hamidon Ali** (Malaysia) said that it was time for the international community to invest in the future by taking the necessary measures to adapt to climate change and to mitigate its consequences. As the largest emitters of greenhouse gases, developed countries had acknowledged that they should play the leading role in global efforts to combat climate change. To that end, they must reduce their emissions to less than the current per capita level of four tonnes per annum. They must also ensure that the relevant technologies were transferred to the developing world. In order for that to happen, however, the intellectual property regime would need to be relaxed and exemptions granted. Collaborative efforts between the North and the South would also need to be stepped up, especially in cases where technologies were based on resources originating from the South.

55. However, adaptation and mitigation efforts alone would not succeed without a global framework for climate change. The negotiations on a post-2012 agreement should begin at the forthcoming Bali Climate Change Conference and should be concluded by 2009. Any other initiatives taken in that direction must complement and not compete with those negotiations.

56. The inability of developing countries to make significant progress towards achieving the Millennium Development Goals was troubling in the context of the recent reduction in ODA levels and the potential risks to the global economy from the current sub-prime credit crisis. Both developments would have a significant impact on whether the Goals could be achieved in time.

57. The health of the international financial system also had a critical impact on the overall efforts of the developing world to achieve lasting prosperity. The International Monetary Fund (IMF), for example, had recently stated that the downside risks to global growth had increased significantly as a result of the sub-prime credit crisis and that, even if the credit markets recovered, the resulting turbulence might have far-reaching and significant consequences. Some developing countries might be insulated from the direct

effects of that phenomenon but the most vulnerable economies were especially susceptible to its effects owing to their inability to cope with the volatilities of the open international economy. While it was too early to reach definitive policy conclusions on how to prevent similar crises in the future, the following lessons could already be learned: there were inherent dangers in a global economy that was too dependent on the United States as the main engine of growth; markets by themselves were not able to accurately price risk; a lack of regulation inevitably led to a lack of information, especially relating to new financial instruments; and financial innovations had spread risks more evenly around the global financial markets, making more financial institutions vulnerable to those risks.

58. Those serious issues needed to be addressed at the High-level Dialogue on Financing for Development to be held in October 2007, which must promote the role that higher-income developing countries could play in the development efforts of other developing countries. At the same time, it needed to examine how that role could complement the assistance provided by the developed world. Malaysia welcomed the transformation of South-South cooperation from essentially technical cooperation to a range of activities involving trade, finance and technology. However, South-South cooperation was qualitatively different from North-South cooperation and thus should not be subject to the same rules and regulations.

59. Finally, it was essential to have a solid framework for the negotiations with respect to the Triennial Comprehensive Policy Review. Such a framework needed to take into account the various processes involved in the issues to be addressed by the Review.

60. **Mr. Sen** (India), referring to the keynote speech delivered the previous day by the Nobel Prize recipient, agreed that innovation and technology were crucial for economic development in developed and emerging markets. Innovation led to imperfect competition and thus to high returns. However, Mr. Phelps had minimized the importance of the role played by the State in technological advances, particularly the Internet. Science and technology were also crucial for development in Africa. In that regard, he noted that India had begun to equip information technology centres in 26 African countries with fibre-optic cables and satellite systems.

61. Developing countries clearly needed the Millennium Development Goals. However, unless the Goals were followed by sustained economic development they would ultimately become "welfare colonialism". In short, only sustained economic development could enable developing countries to attack the root causes of their problems. It was therefore regrettable that the current international financial system was not geared towards promoting such economic development.

62. The current intellectual property rights regimes clearly hampered economic development because they had been expressly designed to prevent the dissemination of technology and to establish monopolies that favoured only the pharmaceutical companies. Such regimes not only failed to protect biodiversity and access to generic medicines but actually led to biopiracy, resulting in patenting and high profits. The regimes were also harmful to the developed world, since blocking the dissemination of knowledge hampered technological growth and led to increased prices for consumers.

63. Similarly, technologies to address climate change must be affordable to the countries that needed them most. However, intellectual property rights were being used precisely to prevent such technology flows. The Trade-Related Aspects of Intellectual Property Rights (TRIPS) regime had already proved unable to deal effectively with such issues as climate change and public health. The United Nations must establish a commission of experts to study the intellectual property rights system with a view to finding solutions that compensated the innovators but were also beneficial to humanity in general.

64. The international community must also address the unfairness inherent in the current international financial system. The net transfer of financial resources from developing to developed countries was much lower in 2007, for example, than in 2005. In other words, developing countries were increasingly subsidizing developed countries. Developing countries would clearly need ODA until such time as they had the scientific and technical infrastructure to attract private capital. It was therefore particularly troubling that only 8 countries had met the 0.7 per cent ODA target to date and that most of those funds had actually been allocated to disaster and debt relief rather than to development assistance. The United Nations therefore

clearly needed to take action to address the shortfalls in ODA.

65. The United Nations also needed to address its outmoded financial architecture, which lacked transparency, accountability and representivity. That was particularly true in the case of IMF. The Economic and Social Council should organize periodic external audits of the Bretton Woods institutions and should play a central role in matters related to debt restructuring. Competent staff capable of performing the requisite duties should be recruited. Debt restructuring was not simply a matter of debt cancellation but also a question of debt sustainability, perhaps best defined as a level of debt that enabled developing countries not only to achieve the Goals but also to meet their debt servicing obligations in the future.

66. Sustained economic development would not be possible without market access, which would require a truly developmental Doha Round. Practical steps would therefore also need to be taken to achieve the desired results.

67. **Mr. Al-Nasser** (Qatar), highlighting the achievements of the Millennium Summit, said that the developing nations had responded to the call to restructure and liberalize their economies and improve their public administration. They had fulfilled all their commitments. However, with a few exceptions, the developed nations had not fulfilled their commitment to provide an annual 0.7 per cent of their gross national income as official development assistance. Developing countries did not want new commitments so much as effective implementation of existing ones.

68. In order to address the emerging global challenges, the United Nations needed to work consistently at the global and country levels within a clear cooperative framework focusing on efficiency, transparency and accountability, based on a global partnership for development in which national leadership and ownership of national programmes and strategies were fully recognized. The Triennial Comprehensive Policy Review provided an opportunity to review results achieved in the reform of United Nations operational activities and to identify clear guidelines on methods for achieving further progress.

69. South-South cooperation had grown in importance, so that South countries were currently in a position to be effective actors in the global economic

system thanks to their economic weight. South-South cooperation should not be a substitute for but rather a strengthening factor of multilateralism. There were also many opportunities for South-South investment.

70. The State of Qatar would be hosting the Follow-up International Conference on Financing for Development in Doha in the second half of 2008. His Government hoped that, through its work, the Second Committee would pave the way for the success of that Conference.

71. **Mr. Chávez** (Peru) said that multilateral mechanisms must be strengthened to ensure the participation of both developed and developing countries in the coordination of macroeconomic policy measures. The principal organs of the United Nations, including the General Assembly, must implement reforms that would enable them to adjust to change and deal with the most pressing items on the international agenda.

72. His Government's social policy was aimed at including all sectors in production, ensuring access to education and to technological innovation, and promoting institutional development and population sustainment. Peru had established clear guidelines relating to achievement of the Millennium Development Goals. In order to succeed in its efforts, his country needed access to foreign markets and investment. Bearing in mind the uncertain progress of the Doha Round and the new opportunities for integration in the Andean subregion and in Latin America as a whole, Peru had signed free trade agreements with its major trading partners. It was a member of the Andean Community and had also signed free trade agreements with Chile and with the United States. Similar arrangements were being negotiated with a number of other countries with a view to ensuring access to the markets of Peru's main trading partners, laying down fair and predictable trading rules and disciplines, diversifying export markets and attracting investment and modern technology.

73. Peru was highly vulnerable to natural disasters and, in particular, to global warming. The El Niño phenomenon had had a devastating impact on his country, and its tropical forests and biodiversity were seriously threatened by changes in weather patterns. Drug trafficking had aggravated the problem of desertification. Peru had undertaken to reduce its emissions and was implementing a national strategy on

climate change. However, the industrialized countries also needed to show greater commitment to supplementing national efforts. More ambitious goals on reduction of greenhouse gas emissions were needed. Peru looked forward to the United Nations Climate Change Conference to be held in Bali.

74. **Mr. Omar** (Food and Agriculture Organization of the United Nations) said that no sustained reduction in hunger was possible without special emphasis on agriculture and rural development. The Food and Agriculture Organization advocated a village-by-village approach as a quick and effective way to reduce hunger. It was based on lessons learned from the experience gained through the Special Programme for Food Security (SPFS). South-South cooperation had been an important source of technical support for countries implementing SPFS projects since 1996.

75. Climate change was already having a profound and irreversible impact on economic, social and environmental systems, particularly in Africa. Agriculture was undoubtedly the most important sector in the economies of most non-oil-exporting developing countries. The debate on climate change and its impact on agriculture was therefore crucial to the very survival of the continent and its people. Sustainable mountain development was another important issue that would be discussed by the Committee, and FAO stood ready to assist delegations in their deliberations.

76. He wished to draw attention to the launching on 18 October, World Food Day, of the International Year of the Potato, FAO had chosen the Right to Food as its World Food Day theme for 2007. Side events on financing of agriculture, food quality and safety, and aid for trade and food security would be held during the thirty-fourth FAO Conference in Rome in November 2007. A high-level meeting on world food security and the challenges of climate change and bioenergy would be held in June 2008.

The meeting rose at 12.50 p.m.



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Chairperson: Ms. Lintonen (Finland)

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General debate (*continued*)

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The meeting was called to order at 3 p.m.

General debate (continued)

1. **Ms. Rodríguez** (Bolivarian Republic of Venezuela) noted that in the recently concluded general debate of the plenary Assembly, the leaders of the developing countries had been almost unanimous in their urgent call for open, fair and non-discriminatory financial and commercial systems. The economic and financial policy programmes imposed on them in the past two decades had not led to social and macroeconomic stability, still less the growth that would allow them to break through the barriers, primarily non-tariff, impeding their access to markets.

2. In its foreign policy, the Bolivarian Republic of Venezuela aligned itself with the voices that denounced initiatives designed to favour the industrialized countries, which had made it possible for them to escape from the commitments they had undertaken at the various international summits and conferences while increasing protectionist measures for their industries to the detriment of poorer countries. It was also widely recognized that the persistence of external debt was harming the economies and finances of the countries of the South, deepening the inequalities in the distribution of assets. That grave and unsustainable obstacle to the human development of the poorest countries would lead to a global humanitarian catastrophe. At the same time, the consumerism, social security and prosperity of creditor countries had been financed by the exponentially increasing net influx of capital from the debtor countries.

3. Against that backdrop, the Government of the Bolivarian Republic of Venezuela had repeatedly called for a more humane economic model, one that respected national realities, and enabled the global production of wealth and fairness in the enjoyment of it. It had also stressed the need to change unsustainable patterns of production and consumption, promote appropriate demographic policies and accord priority to the special needs of the developing countries.

4. Over the past nine years, Venezuela had been pursuing a policy with a central objective of democratization and the transfer of economic, political and social power to the impoverished and excluded sectors, in order to overcome inequalities in the distribution of wealth. Recent years had seen a period of sharp economic recovery for the country, making it

possible not only to tackle the problems of its own development but also to contribute to that of other fraternal countries, particularly in the energy sector. The Venezuelan Government had promoted the development of regional financial integration mechanisms, which, with innovative tools and the use of national currency, both allowed the creation of synergies, and thus a saving of resources, and helped to establish means to channel resources into the development of the regions in which those resources had been generated.

5. The people of the Bolivarian Republic of Venezuela were proud of the way in which its resources had helped the countries of Latin America to emerge from their grave financial crisis. On the basis of that experience, Venezuela had proposed the creation of the Banco del Sur, the details of which were currently under discussion. Her Government's position was that the use of low-cost energy could drive the comprehensive development of society with the larger aim of eradicating poverty. In that context, the Bolivarian Republic of Venezuela, together with Bolivia, Cuba and Nicaragua, had set up the Bolivarian Alternative for the Americas (ALBA) — a regional integration initiative that sought to correct the asymmetries existing among the countries of the region by fostering cooperative advantages and tackling the obstacles to genuine integration, such as poverty and social exclusion or unequal access to information, technology and knowledge.

6. ALBA also believed that it was vital to rethink integration agreements in order to achieve endogenous national and regional development. One of the most important agreements to be signed within the framework of the Alternative was the Petroamerica initiative, designed to facilitate the establishment of cooperation and integration mechanisms to promote the use of local energy resources as a basis for improving the socio-economic conditions of the peoples of the continent through reinforcement of the three pillars of sustainable development: economic growth, social development and environmental protection.

7. **Mr. Yousfi** (Algeria) said that, paradoxically, globalization played a role in both the successes of some developing countries and the marginalization of many others, preventing them from achieving sustainable growth and development. In their efforts to join the world economy, the developing countries continued to face major structural obstacles, which

meant that mechanisms were needed to facilitate their integration. Implementation of the development agenda was thus dependent upon the establishment of a global development partnership that could rectify the very unequally distributed costs of globalization.

8. The International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) all had a role to play in development. Consequently, the ongoing reform of those institutions should take into account the concerns of all developing countries in order to ensure their equitable participation in decision-making. Coordination between those institutions and the United Nations should be strengthened in order to find a better way of funding development. Laudable efforts to create an international consensus on the international development objectives, including the Millennium Development Goals, should be backed by proper fulfilment of the commitments undertaken.

9. The Follow-Up International Conference on Financing for Development to Review the Monterrey Consensus, which would take place in Doha in the second half of 2008, would provide the right opportunity to assess the progress made relative to the commitments undertaken and to look at ways to deal with the emerging challenges in the domain of development funding.

10. Mechanisms to increase the reliability, effectiveness and consistency of the activities of the United Nations system needed to be adopted within the framework of the guiding principles which should govern the operational activities: their neutrality on the one hand and their multilateral, universal and voluntary character on the other. Reform of the operational activities should assist in making the United Nations more effective and more efficient in its role of strengthening the capacities of the developing countries, and the activities should be monitored to ensure observance of the respective mandates of the main United Nations bodies.

11. Sustainable development had to be seen in terms of an integrated approach to the three pillars of economic growth, social development and environmental protection. Thus, the challenge of climate change which entailed real threats to the international community was intimately linked with the question of development. The current climate crisis constituted a real threat to present and future

generations, notably in Africa, the continent that was at once most threatened by and most vulnerable to climate change. Scientific and technological support and the transfer of technology and knowledge from the developed countries, in line with the commitments undertaken, would help to mitigate the effects of climate change in Africa.

12. The efforts of the international community to combat climate change should be channelled into establishing a worldwide regime based on an emissions reduction strategy that was both effective and equitable. Resolution of environmental issues called for a global approach in which poverty reduction, promotion of economic growth, combating pandemics and conflict resolution were intertwined. Synergies were necessary in order to rise to the dual challenges of climate change and desertification.

13. The performance of South-South cooperation and its expansion to several development sectors demonstrated the importance of that form of cooperation. South-South cooperation was not a substitute for, but rather a complement to, North-South cooperation, its current dynamic should be underpinned by long-lasting arrangements for triangular cooperation and properly integrated into operational activities.

14. Regional cooperation between developing countries could assist national development strategies. The New Partnership for Africa's Development (NEPAD) remained the most appropriate instrument for the implementation of political and economic governance in Africa.

15. **Mr. Aket Khoc** (Sudan) expressed concern that, despite the growth of the global economy, and efforts at economic and political reform, developing countries, especially the least developed countries, continued to be subject to systemic external pressures beyond their control which hindered their efforts to eradicate poverty and hunger and achieve sustainable development. Globalization had yet to become a fair, equitable and inclusive force. It had caused disparities between and within countries, with the least developed countries being the worst affected.

16. It was also of concern that the African continent continued to lag behind the rest of the developing world in its progress towards the Millennium Development Goals. Special attention must be focused on that long-suffering continent. In that connection,

Sudan welcomed the Secretary-General's pledge to make Africa a priority and looked forward to seeing the results of his recent initiative to establish the Millennium Development Goals Africa Steering Group and to assessing the effectiveness of that initiative to deliver on the unfulfilled promises made to Africa.

17. The prolonged suspension of the Doha Round gave greater urgency to the need to guarantee an equitable international trading system, one that would provide the developing countries, and in particular the least developed countries, with duty- and quota-free market access and eliminate agricultural subsidies.

18. In the current year, the United Nations had taken a pioneering role in addressing the global challenge posed by climate change. Political will would be needed to push for a new agreement at the thirteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Bali in December, one that would contain firm and strict emission reduction targets. The poorest countries, which had the lowest levels of emission and were the least prepared, but the hardest hit by the adverse impact of climate change, must be assisted by the international community.

19. South-South cooperation remained crucial as it could assist developing countries in harnessing their collective strength and complementarity at a time of economic globalization. A landmark event had been the substantive session of the Economic and Social Council in Geneva the previous July. He welcomed the introduction of the Council's new functions — namely, the Annual Ministerial Reviews, and the Development Cooperation Forum — which could be expected to contribute to strengthening the Council, the implementation of the global partnership for development and the monitoring of development commitments. The Committee should seek to make those functions more results-oriented and a platform for the exchange of experiences.

20. In the area of the ongoing reform of United Nations operational activities for development, Sudan supported a process that was transparent and inclusive, that was based on the principle of national ownership and sovereignty, and that took countries' unique situations and special needs fully into account.

21. Sudan looked forward to the High-level Dialogue on Financing for Development, to be held later in the month, and hoped that it would be an opportunity to

explore ways to strengthen the implementation of the Monterrey Consensus. It was of particular importance that the developing countries should continue to demand a voice and participation in the international decision-making process, in order to guarantee not only their integration into the global economic system, but most importantly their participation in setting parameters for it.

22. Sudan hoped that the Committee would continue to pay attention to countries' diversity and special situations, particularly in the case of countries emerging from conflict, and stressed the importance of official development assistance and cancellation of the debt that was obstructing reconstruction and development efforts.

23. **Mr. Kim Hyun-Chong** (Republic of Korea) said that as the world passed the halfway mark towards 2015, it was essential to assess the progress made in the implementation of the Millennium Development Goals and to renew the commitment to achieving them by the target date. The report of the Secretary-General on the work of the Organization (document A/62/1) showed that, while there had been some progress, it had been uneven and many countries were still not on track to achieve the Goals by 2015. While global partnership was undoubtedly necessary to that end, it was also important to recognize that the primary responsibility lay with the developing countries. Numerous international forums had stressed that a national development strategy, good governance, and national ownership and leadership were key elements in nurturing sustainable development. While different approaches might be taken, inclusive growth strategies should be vital elements in development plans.

24. Africa required special attention, and the Secretary-General's initiative to assist development on the African continent by launching the Millennium Development Goals Africa Steering Group was therefore welcome. Likewise, the initiative taken by the President of the General Assembly to hold a Millennium Development Goals Leaders Meeting during the current session would also be helpful in reinvigorating those efforts. For its part, the Republic of Korea was making a strenuous effort to increase development assistance to Africa substantially, under the Korea Initiative for Africa's Development which had been launched in March 2006, and was also participating in the Millennium Village initiative,

which, if successful, would have significant implications for development.

25. It was regrettable that the slow rate of increase in official development assistance was hindering the full implementation of national development strategies. Indeed, the projected level of assistance still fell short of what was needed to achieve the Millennium Development Goals. The Follow-up International Conference on Financing for Development, to be held in Doha at the end of 2008, would provide a good opportunity to reassess financial needs and revitalize the political commitment to achieve them, while the High-level Dialogue on Financing for Development, to be held on 23 and 24 October, would provide valuable input to the Doha Conference. The Government of the Republic of Korea had been making every effort to fulfil the pledges it had made at the 2005 World Summit, by substantially increasing its official development assistance.

26. Among the various sources of financing for development identified by the Monterrey Consensus, aid, debt relief, and trade were widely regarded as vital to development. The history of development in many countries, including that of the Republic of Korea, had shown that development aid alone did not bring sustainable development in the long run. Rather, development should spring from its own engine, which in the case of the Republic of Korea had been based on international trade. As trade fostered the dynamism of development by generating self-reliance in developing countries, the Republic of Korea strongly supported free trade and open markets. It called for the early resumption and completion of the Doha Development Round of negotiations with the aim of creating a freer multilateral trading system, paying special attention to the needs of developing countries. In the meantime, that could be achieved, to some extent, through free trade agreements.

27. The Republic of Korea remained firmly committed to the process of United Nations reform. It believed that the role of the Economic and Social Council should be strengthened in economic and social issues, including those of development cooperation. Maximizing the potential of the United Nations system, which had often been criticized for fragmentation and lack of operational synergy, would be another vital step. Enhancing coherence across the United Nations system, particularly in the fields of development, humanitarian assistance and the environment, would

enable the system as a whole to deliver better results. The Republic of Korea took the view that "delivering as one" was the correct approach to reforming development support. Thus, it believed that discussion of system-wide coherence issues could be incorporated into the triennial comprehensive policy review process scheduled for the current session of the General Assembly to enhance the overall effectiveness of development cooperation.

28. Effective implementation of the development agenda would not be possible without full participation of women in all aspects. Education and equal opportunity for women were therefore not just human rights issues, but formed a vital condition for economic development. The empowerment of women and the mainstreaming of a gender perspective into policymaking should therefore be central to efforts to achieve the internationally agreed development goals, including the Millennium Development Goals.

29. It was now more evident than ever that global warming was impeding efforts to attain economic and social development. Climate change was indeed a global issue that needed to be urgently addressed through concerted international action. It was to be hoped that the United Nations Climate Change Conference to be held in Bali in December would establish a road map for a post-2012 framework to advance efforts towards a low-carbon economy. Such a framework should be comprehensive and flexible enough to allow all nations to join the global efforts, and should include measures to address mitigation, adaptation, financing and technology.

30. **Mr. Romero-Martinez** (Honduras) said that it was difficult for his country to assign priorities for the discussion, as international trade and development were as important as external debt and development. Needs were as varied as the search for solutions.

31. Poverty eradication was a collective responsibility, as there could be no social progress while millions of beings lived in conditions of inequity, inequality, discrimination and extreme poverty. Any measures taken had to be sensitive to the reality of current circumstances.

32. His region had suffered many natural disasters that had caused loss of life and the destruction of production capacity and infrastructure. A global strategy was needed to reduce the number of disasters and devise a policy for prevention.

33. In view of high oil prices, his country was interested in promoting new and renewable energy sources and welcomed the initiative for a sustainable development strategy. Honduras supported all urgent and practical initiatives that focused on climate change. At the first thematic plenary meeting of the High-level Event on Climate Change, the Honduran President had contributed ideas and described how his country was working on environmental conservation.

34. Although South-South cooperation was crucial and produced excellent results, it was not a substitute for North-South cooperation. His country wished to see an opening of markets for its products at a fair and reasonable price. When such opportunities were available, developing countries could close the gaps and develop their economies. The challenge was to move forward, improving social conditions and creating favourable conditions for economic and social development.

35. **Mr. Al-Najem** (Kuwait) said that the time had come to change the way of dealing with the many challenges still existing seven years after the Millennium Summit so as to fulfil the commitments made. Achieving the Millennium Development Goals required global partnership to save the lives of millions of human beings and improve their living standard within the next few years.

36. His delegation attached great importance to the High-level Dialogue on Financing for Development, to be held shortly, in which his country, convinced that the chief objective of the meeting was to assess the achievement of the Millennium Development Goals, would participate at a high level. Kuwait had made great strides in realizing the commitments and decisions of the 2005 World Summit and achieving the Goals, especially in the fields of education, health and the strengthening of the role of women, and had drafted policies to promote greater economic and social development and raise the standard of living.

37. From the time of its independence, Kuwait had adopted a generous policy of assistance to developing countries, including the establishment, in 1961, of the Kuwaiti Fund for Arab Economic Development, which had contributed more than \$12 billion to fund infrastructure projects in over 100 countries. It made yearly voluntary contributions to international specialized agencies and regional funds and had recently contributed \$300 million to the Islamic

Development Bank for poverty eradication in Africa and humanitarian supplies and relief to countries stricken by natural disasters. It supported the work of the Commission on Sustainable Development, to which it called on all Member States to contribute.

38. Coordination of national, regional and international efforts was needed to overcome the difficulties hampering the achievement of the Millennium Development Goals, difficulties that included weak national infrastructures, inadequate funding, a lack of technology and the inability to reap the benefits of globalization. Developed countries must live up to their undertaking to support the economic structures of developing countries and provide financial, pharmaceutical and technological assistance amounting to 0.7 per cent of their gross national product to support the national strategies adopted by the countries themselves.

39. His delegation commended the efforts of some developed countries to achieve that level of development assistance and those of numerous developing countries to achieve good governance, the rule of law and transparency and to fight corruption. It also appreciated the debt forgiveness granted by the Group of Eight industrialized countries and the European Union to a number of least developed countries and looked forward to continued efforts in that direction as well as debt rescheduling.

40. In recent years, Kuwait had improved and liberalized trade, strengthened foreign investment and accorded the private sector a pioneering role based on free competition, all of which had required constant amendment of legislation. His delegation hoped that developing and least developed countries would be given a greater role in determining WTO policy, and that an international trading system fairer to those countries would emerge.

41. With regard to climate change, the primary emphasis was still on reducing the use of fossil fuels, while factors such as deforestation, urbanization of agricultural land and nuclear energy were virtually ignored. Kuwait objected to the imposing of any obligations on developing countries, especially those that depended on fossil fuels, before the industrialized countries fulfilled their commitments under the United Nations Framework Convention on Climate Change and the related Kyoto Protocol.

42. More financial resources must be mobilized internationally for discovering and transferring environmentally sound technologies aimed at according a greater share to fossil fuels among energy sources and for increasing international cooperation and investment to provide an uninterrupted supply of energy to countries that needed it, so as to avoid the effects of energy-source price fluctuations on economic development in some countries. Education and awareness-raising regarding renewable energy and its advantages were also required.

43. **Mr. Chidumo** (Mozambique) said that, although some developing countries were now closer to reaching the Millennium Development Goals in several areas, most of them, especially in sub-Saharan Africa, were still far away and some countries were not on track to reach a single Goal. Those imbalances, together with the volatility of the international commodity and financial markets, were further weakening the participation of developing countries in what was now a robust world economy.

44. Africa's share in the international trading system remained insignificant and 31 per cent of the population lived below the minimum level of dietary energy consumption, while deadly diseases continued to cause almost 4 million deaths per year. Poverty remained the greatest challenge and the main obstacle to development efforts. Concrete and immediate measures were needed for the full implementation of all commitments made at the major United Nations summits and conferences, including those made within the G-8 framework.

45. ODA levels had declined in 2006 and were likely to decline further in 2007. The long-standing target of 0.7 per cent of GNP had not been met, nor had the additional \$50 billion of assistance for developing countries pledged at the 2005 World Summit materialized. He hoped that the Follow-up International Conference on Financing for Development would succeed in taking action to ensure full implementation of the commitments embodied in the Monterrey Consensus.

46. The deadlock in the multilateral trade negotiations in the Doha Round was a matter of great concern for developing countries. His delegation called on developed countries to show the political will needed to break through the current impasse and ensure

timely and successful completion of the current trade talks.

47. Trade-related problems, including structural constraints, were of concern to the least developed countries and should be addressed in a holistic and integrated manner. The United Nations Conference on Trade and Development (UNCTAD) should play a catalytic role in capacity-building for developing countries to ensure that the trade negotiations were an inclusive process. The outcomes should take account of the concerns of all developing countries.

48. While low tariffs and market access constituted the main challenge, most developing countries needed additional financial resources to improve their productivity and competitive capacities. In September 2005, world leaders had pledged support and increased aid for capacity-building to enable developing countries to benefit from increased trade opportunities. He welcomed the recent enhancement of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and called for speedier implementation of the Aid for Trade initiative of the World Trade Organization.

49. The effects of climate change were felt in all countries, yet the developing countries, especially in sub-Saharan Africa, suffered the most. As a country prone to various types of natural disasters, Mozambique focused particular attention on reducing vulnerability and mitigating the suffering of populations, as well as ensuring a rapid and harmonious reconstruction and recovery process.

50. While each country was primarily responsible for its own economic and social development, mitigation and adaptation efforts in relation to climate change and the prevention and reduction of the negative impacts of natural disasters required the involvement of the entire international community. The recent High-level Event on Climate Change had brought new prospects and hope for substantial progress at the forthcoming Bali Climate Change Conference.

51. In relation to United Nations operational activities for development, the current process of improving the effectiveness and efficiency of the United Nations system should bring significant progress towards attaining the Millennium Development Goals and other internationally agreed goals.

52. Mozambique welcomed the report of the High-level Panel on System-wide Coherence in the areas of development, humanitarian assistance and the environment and the recommendations it contained. His delegation looked forward to studying the recently published report of the co-Chairs to the President of the General Assembly on the consultations carried out thus far. The Panel's recommendations were an invaluable contribution towards establishing a stronger and more coherent United Nations system at the country level and the realization of its full potential as an effective development partner. His country had volunteered to be one of eight to test the One United Nations programme at country level in order to provide inputs to the intergovernmental process and decisions on the Panel's recommendations.

53. States had a collective obligation and responsibility to seize the opportunity given by the current session of the General Assembly to move forward with the United Nations development agenda. Some of the main issues of the current session were relevant to the work of the Committee, including financing for development, climate change and operational activities for development.

54. **Ms. Aitimova** (Kazakhstan) noted that despite some successes in terms of eliminating poverty and hunger, there was still much work to be done. Priority issues included primary health care, measures to deal with epidemics, maternal and child mortality, tuberculosis and malaria and HIV/AIDS, which was currently one of the main causes of death among the working-age population.

55. The developed world could help developing countries to achieve the Millennium Development Goals by complying with their international obligations in the area of development and ensuring the success of the Doha Development Round. The developing countries should prudently manage their natural and human resources, practice good governance and fight corruption at all levels so that their resources would not be wasted.

56. Kazakhstan was committed to achieving the Millennium Development Goals and was implementing its long-term development strategy "Kazakhstan 2030". The main economic objective was to ensure that Kazakhstan became one of the most competitive countries by diversifying the economy, increasing the production of value-added goods and services and

laying the foundation for a high-technology service economy. Kazakhstan was also increasing its gas production, and its large uranium deposits would give it an important role in the development of nuclear energy. By 2017, her country would be one of the world's 10 largest oil producers.

57. Her country was fully aware of its share of responsibility for ensuring a global energy balance and security. Kazakhstan had proposed a Eurasian pact on stability of energy delivery to promote further diversification of energy delivery to consumers and to provide assurances to energy producers. Joining WTO on equitable and non-discriminatory terms would help Kazakhstan in that endeavour.

58. It was important to take into account the interests of landlocked developing countries in the development of transit transport capabilities, trade promotion and access to world markets. It had been a significant year for the Almaty Programme of Action and it was time to review the progress achieved in its implementation. Decisions on the development of regional cooperation and transport and transit infrastructure taken at the recent session of the Economic and Social Commission for Asia and the Pacific (ESCAP) in Kazakhstan in May had been a significant and logical step in that direction.

59. She drew attention to Kazakhstan's proposal to establish a United Nations register of global environmental problems in order to help develop mechanisms for addressing environmental disasters.

60. The global energy crisis and the threat of negative climate change presented acute problems for the world community. A global energy and environmental strategy should be developed in the context of the United Nations for discussion at the 2012 follow-up review of the World Summit on Sustainable Development.

61. Millions of people had been affected by the dire situation of the Aral Sea: three quarters of its water had been lost and salt from the exposed seabed was causing environmental damage to the entire Eurasian continent. The countries of the Central Asian region had done a lot to rehabilitate the sea, but the efforts of the world community were needed. At the 2002 World Summit on Sustainable Development, Kazakhstan had proposed giving the International Fund for Saving the Aral Sea the status of a United Nations institution.

62. Regional integration was needed to meet the challenges of the modern world. Kazakhstan had repeatedly declared its firm commitment to regional cooperation as a means of achieving economic prosperity for the Central Asian countries.

63. **Mr. Christian** (Ghana) said that much attention had been focused on poverty reduction in recent years, as the continuous existence of extreme poverty in a world of plenty was an affront to the international community. All States should persist in their efforts until palpable progress was achieved.

64. The international community had long been a faithful partner in development efforts. It had provided support for countries in sub-Saharan Africa, including his own, and the least developed countries in its commitment to helping developing countries achieve the internationally agreed development goals, including the Millennium Development Goals.

65. The number of people living in extreme poverty worldwide had declined since 1990 and significant progress had been made in increasing access to education and reducing child mortality. Yet progress was slow and uneven and many countries, especially African countries, were lagging behind. It was important to strengthen international cooperation to ensure the implementation of commitments made at various international conferences and summits. The critical needs of poor countries could not be solved by national or regional investments alone but required an effective global partnership if they were to achieve the Millennium Development Goals and other internationally agreed goals. Issues such as the debt crisis, climate change, global trade policy, technology and financing for development could only be addressed at the global level.

66. Progress had been slow in reducing Africa's external debt under the Heavily Indebted Poor Countries (HIPC) Initiative. Although the debt stock had declined in relation to GDP, total debt service obligations remained almost unchanged due to higher interest rates. Additionality of aid was supposed to be a key component of the HIPC Initiative. Even if full debt relief was granted, ODA would still have to provide the additional resources needed for development. Yet ODA stood at only half the promised level of 0.7 per cent of GNP, despite the G-8 pledge made in 2005 to double aid to Africa by 2010.

67. The poor countries needed to increase their exports to the rich countries, yet trade barriers still hampered export growth. The Doha Round was supposed to improve market access for poor countries, yet the negotiations had stalled, which called into question the commitment of States to an open and rule-based trading system and poverty reduction. The Doha Round negotiations had to be consistent with poverty reduction objectives and should not conflict with the development assistance priorities pledged by Governments around the world in the 2002 Monterrey Consensus. The twelfth session of UNCTAD, to be held in Accra, Ghana, should provide the international community with an additional opportunity to focus on some of the issues facing Africa and other developing regions such as acquiring the trade and production capacities needed to compete on the world stage.

68. There was a growing global consensus on the threat posed by climate change and the urgent need to address it. Ghana hoped that the Bali Climate Change Conference in December would provide an appropriate platform for constructive negotiations with a view to adopting a comprehensive post-2012 multilateral regime.

69. **Mr. Godo** (Kenya) said that the Committee should provide suitable forums for deliberations and action-oriented decisions on major development issues. His delegation welcomed the strengthening of the Economic and Social Council, the holding of its first Annual Ministerial Review and the launch of its Development Cooperation Forum in 2007, mandates that should enhance the work of the Council and the Committee. The international community's concerted efforts notwithstanding, disparities among countries continued to grow, fuelled by unfair global financial and trading regimes.

70. Sustainable development in almost all developing countries over the previous decade had faced serious challenges posed by rising levels of external debt and deteriorating terms of trade, a situation exacerbated by the stalled Doha Round and the continuing reduction of ODA and foreign direct investment (FDI) flows to developing countries, especially in Africa. Since five years after the historic Monterrey Conference, many of its commitments had still not been honoured, his delegation looked forward to the Follow-up International Conference on Financing for Development, to be held in Doha in 2008.

71. Kenya supported ongoing initiatives for improving the operational efficiency of the United Nations system, which continued to draw useful lessons for institutional reform in many countries. Environment, development and gender now occupied centre stage and required a proper understanding of their implications for the work of the United Nations and for the global development agenda. As host to the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat), Kenya called for a strengthened UNEP endowed with adequate resources. His country would continue to support the Organization's efforts by ensuring a favourable environment and providing counterpart support for the efficiency of the United Nations Office in Nairobi.

72. The projected impact of unmitigated climate change on Africa as a whole would affect livelihoods, health, water resources, agriculture and food security, and thus undermine economic prospects across the continent; while developing countries, especially in Africa, had contributed least to global warming, they were, ironically, the most vulnerable. The international community must assign priority to the negative effects of climate change, on the basis of common but differentiated responsibilities. Particular attention must be paid to the developing countries, whose adaptation efforts called for adequate resources, technology, and capacity-building. Kenya, as the current President of the United Nations Climate Change Conference, looked forward to a fruitful outcome of the Bali Climate Change Conference and advocated a long-term mechanism for addressing climate change.

73. While the triennial comprehensive policy review would be addressing operational activities with a view to ensuring that programmes, funds and specialized agencies effectively contributed to poverty eradication and the achievement of internationally agreed development goals, including the Millennium Development Goals, he exhorted the Committee to address the special needs of Africa — the sole continent identified as unlikely to achieve the Millennium Development Goals by 2015 — and urged the international community to support Africa's development endeavours through NEPAD. In that connection, he applauded the Secretary-General's decision to establish a Millennium Development Goals Africa Steering Group, and looked forward to further high-level dialogue on Africa in 2008.

74. **Ms. Silveira** (Uruguay), highlighting some of the steps her country had taken to achieve the Millennium Development Goals, said, with reference to poverty reduction, that an emergency plan adopted in 2005 had significantly reduced the number of poor people, eradicated extreme poverty and helped to integrate many of the poor into society. With regard to health, the recently established national health fund accorded priority to primary health care and prevention. The fund also provided financing enabling all citizens to enjoy their right to health. In the area of education, schooling in Uruguay was now compulsory from the age of four years and programmes were being developed to prevent students from dropping out of elementary and high school.

75. Her country was also working to expand, modernize and diversify its external sector in order to increase its role in international trade. Further trade liberalization was essential and should be based on an open, rule-based, predictable and non-discriminatory international trading and financial system devoid of all protectionist measures including restrictions on agricultural products and export subsidies. Domestic support measures should be reduced significantly and markets, particularly those of the developed countries, should be opened up more, including to less expensive goods from developing countries.

76. On the subject of financing for development, her delegation attached considerable importance to the High-level Dialogue on Financing for Development to be held later in the month and the Follow-up International Conference on Financing for Development to take place in Doha in 2008. Her Government was interested in proposals put forward for innovative and additional forms of development financing, as well as new initiatives concerning the international financing machinery.

77. Collaboration between the United Nations and international financial institutions should be strengthened in order to mobilize resources for development. In that connection, the term "middle-income country" should be revised because it reflected neither internal inequalities often obscured by national averages nor efforts to overcome the vulnerability of national economies and particularly of large segments of the population. Although Uruguay was classified as a middle-income country, it faced structural obstacles that impeded sustainable development, and it required technical and financial assistance. According to the

Economic Commission for Latin America and the Caribbean, 90 per cent of Latin Americans living in extreme poverty lived in middle-income countries.

78. The institutional capacity of the United Nations to combat environmental degradation should continue to be strengthened given the grave global threat the phenomenon posed to current and future generations. Further progress was therefore needed in implementing the agreements reached at the United Nations Conference on Environment and Development and the Plan of Implementation of the World Summit on Sustainable Development. International cooperation on the environment through compliance with existing commitments, on the basis of common but differentiated responsibilities, was therefore essential. Donor countries in particular should increase their assistance to the developing countries in that regard.

79. Every State must exercise its responsibility to actively protect the environment of its territory and waters, with the vigilant participation of civil society. In so doing, States should ensure that foreign and domestic enterprises operating in their territory complied with strict environmental quality standards. Uruguay had adopted internationally accepted standards for that purpose and rigorously enforced them.

80. Although her country was not a major contributor to global warming, it fully recognized the dangers the phenomenon posed and the difficulty involved in achieving sustainable social and economic development, given the close relationship between its natural resources and economic performance.

81. Lastly, she said that her country shared the concern of the Security Council regarding the link between armed conflict and the trafficking, illicit trade, and illegal exploitation of natural resources. While, pursuant to the Charter of the United Nations, the issue normally fell within the purview of the Security Council under international law, States enjoyed an absolute right to dispose of their assets and natural resources in accordance with their national interests. Accordingly, in situations not involving armed conflict, issues pertaining to natural resources properly were within the purview of the General Assembly and the Economic and Social Council. One example of the latter type of situation was the arrangement between Argentina, Brazil, Paraguay and Uruguay for the

management, monitoring and sustainable development of the Guaraní Aquifer.

82. **Mr. Belinga-Eboutou** (Cameroon) welcomed the mobilization of the international community through a number of recent development-related events that addressed the daily struggle against poverty, especially in Africa, the least developed countries and the small island developing States. The time had come to move from words to action. He called for serious thinking on ways of remedying the inadequacies of global economic governance, and for intensified South-South cooperation in order to enhance coherence between commitments and actions.

83. It was generally agreed that few sub-Saharan African countries would achieve the Millennium Development Goals by 2015, by which time, unless ways were found swiftly to translate commitments into concrete action, millions would still be bending under the yoke of poverty, their eyes turned to the United Nations, their last hope for preserving their humanity. The forthcoming triennial comprehensive policy review would afford the Committee an opportunity to address matters relating to improved United Nations capacity to meet developing countries' needs and to the mobilization of stable, predictable multi-year financing for coherent and coordinated activities.

84. His delegation welcomed the convening of the Follow-up International Conference on Financing for Development, which should serve to accelerate implementation of the Monterrey Consensus. It also set great store by the resumption of the Doha Round of trade negotiations, which was of capital importance for development issues. Agreement on the terms governing agricultural tariffs and subsidies and customs duties would safeguard the interests of the countries of the South, enabling globalization to retain its true significance and generating a genuine global partnership for development. Nor should one forget the need for greater coherence between the multilateral trading system and the international financial system. Cameroon also hoped for credible reform of the international financial architecture, recognition by the Bretton Woods institutions of the developing countries' specific national characteristics, and the mobilization of stable and predictable additional financial resources through innovative financing initiatives.

85. Given the considerable drop in ODA in 2006, he wondered what had become of the Monterrey

commitments. Moreover, issues such as HIV/AIDS and climate change had also deeply affected Africa. Cameroon, like other African countries, had recently experienced severe flooding, to which the authorities had responded promptly; however it was essential to address the deep-rooted causes of such phenomena. Lastly, he reiterated his country's support for the creation of a carbon market in the Congo Basin within the terms of the Kyoto Protocol.

86. **Mr. Butagira** (Uganda) said that, owing to the many factors associated with poverty, the Committee had a crucial role to play in advancing the United Nations agenda and paving the way for achievement of the Millennium Development Goals and other internationally agreed development goals. The Committee should build on the current momentum in order to reach conclusive decisions on the relatively new issues of globalization and climate change, and reinvigorate discussion on older issues of critical importance to the global community. Above all, it must raise its profile as a trusted forum for consensus on important development issues. Given the Committee's failure to reach an agreement on protection of the global climate, trade, and development at its previous session, it should seek to achieve consensus by building on the progress achieved, such as the resumption of the Doha Round and the recent successful High-level Event on Climate Change.

87. At the end of the first United Nations Decade for the Eradication of Poverty, poverty had increased in some least developed countries, especially in sub-Saharan Africa. But the Decade had anchored poverty firmly at the core of the development agenda and conveyed the clear message that developed countries must invest more resources to support developing countries' poverty-reduction efforts. With better understanding of the deep-rooted obstacles countries faced, the second Decade should be more successful.

88. Uganda was improving its performance in terms of pro-poor economic growth. Economic growth had more than doubled to an annual rate of 6 per cent since 1990, but had slowed slightly in the previous five years. Like most developing countries, it faced formidable challenges in sustaining growth, owing to inadequate development assistance, lack of investment in productive capacity, limited market access, and the debt burden, all of which were exacerbated by the adverse impact of climate change. Poverty reduction

and achievement of the Millennium Development Goals would be virtually impossible unless those problems were addressed.

89. Under the triennial comprehensive policy review, the Committee would reflect on United Nations monitoring and follow-up of internationally agreed development goals to determine achievements and areas for improvement. In that connection, his delegation welcomed the Economic and Social Council's first Annual Ministerial Review and Development Cooperation Forum, held in July 2007, and looked forward to the discussion on the impact of international commitments, policies and processes on implementation of national development strategies.

90. Some international rules had retarded progress in the developing countries, and the international community had not done enough to address the problems. The international financial system had been detrimental to developing countries' efforts to rid themselves of debt, and the global trading system had unfairly blocked their access to necessary technology through an overly strict intellectual property rights regime, all of which maintained the gap between the rich, developed countries and the poor, developing countries. A dynamic and enabling international economic environment was urgently needed to increase the momentum of global progress towards sustainable development.

91. The Committee must devote special attention to countries in special situations, in view of the emerging global challenges that constantly frustrated their efforts at sustainable development. They faced a serious shortfall in development resources, exclusion from the global economy, and climate-related natural disasters. The time had come for good intentions to be translated into constructive dialogue and genuine partnership based on common but differentiated responsibilities, backed by the international community's strong political will.

92. **Mr. Tommy** (United Nations Industrial Development Organization) said that UNIDO had continued to focus on areas in which it had a clearly demonstrated comparative advantage and could best contribute to the international community's efforts to promote sustainable development. Accordingly, it emphasized three priorities: reducing poverty through productive activities; trade capacity-building; and energy and environment.

93. With regard to poverty reduction, UNIDO promoted the development of a dynamic private sector and strengthened the capacity of Governments to foster an environment conducive to wealth creation. It therefore focused on incorporating the poor into the private sector as entrepreneurs and employees.

94. In the area of trade capacity-building, the UNIDO programme promoted the increased competitiveness of the industrial enterprises of developing countries, the conformity of their manufactured goods to international standards (in cooperation with other United Nations organizations), and the connectivity of exporters to global markets. According to the World Trade Organization and the Organization for Economic Cooperation and Development, UNIDO was the major provider of trade-related technical assistance among the United Nations agencies.

95. Improving energy efficiency, in particular, industrial energy efficiency, should be a major element of national energy policy. The industrial sector, to which nearly one-third of global energy demand and CO₂ emissions could be attributed, was of key importance in the effort to tackle climate change without adversely affecting economic growth, particularly in developing countries. UNIDO enabled countries to raise the energy efficiency of their industries by helping them to gain access to better technologies and, through capacity-building, manage such technology efficiently.

96. As many poor people in developing countries had no access to modern energy, particularly in rural areas, UNIDO worked to increase such access by providing energy from off-grid, renewable sources for industrial applications and productive activities. The use of biofuels had tremendous potential for promoting economic growth and employment and, if sustainably managed, for tackling climate change.

97. The Montreal Protocol on Substances that Deplete the Ozone Layer was one of the clearest examples that the international community, by working closely together, could successfully tackle major environmental challenges. UNIDO firmly believed that similar progress could be made in dealing with climate change through well-designed and effectively implemented international agreements under the auspices of the United Nations.

98. With respect to the development of Africa, he pointed out that the Conference of African Ministers of

Industry, held in Midrand, South Africa, from 24 to 27 September, had commended the decision of the African Union to dedicate the Eighth Summit of Heads of State and Government of the African Union to the central theme of sustainable development. The Conference had also recommended a draft plan of action for the accelerated industrial development of Africa for consideration at the Summit. In addition, the African Union, the African Group and UNIDO would host a round-table discussion on technology and innovation for industry on 20 November 2007 in observance of Africa Industrialization Day (proclaimed by General Assembly resolution 44/237).

99. In order better to fulfil the potential of South-South cooperation for complementing North-South cooperation, UNIDO had established a special unit to develop and coordinate South-South industrial cooperation activities. Centres for South-South cooperation had been established in 2007 in India and China. Others, in Brazil, Egypt and South Africa, were being considered and were expected to be of particular benefit to the least developed countries.

100. With regard to efforts to promote system-wide coherence and United Nations reform, UNIDO had undertaken considerable internal reforms in recent years and remained fully committed to working with Member States and sister organizations in the United Nations system to increase the impact of its programmes at the country level. UNIDO believed that in order for United Nations reform to achieve its aims, it must be carried out in a manner that enabled Member States to take full advantage of the specialized expertise of all relevant parts of the United Nations system, while ensuring that those parts worked together within a common, country-owned framework.

The meeting rose at 5.30 p.m.



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Chairperson: Ms. Lintonen (Finland)

Contents

General debate (*continued*)

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07-53529 (E)



The meeting was called to order at 10.15 a.m.

General debate (continued)

1. **Mr. Ja'afari** (Syrian Arab Republic) said that his country had achieved significant progress towards a social market economy through an ongoing process of comprehensive reform, including of its economic, financial and investment legislation, with particular focus on strengthening the three pillars of sustainable development and achieving internationally agreed development objectives, inter alia the Millennium Development Goals. It nevertheless faced constant difficulties and challenges. Because of the continuing Israeli occupation, the Syrian Golan was being drained of its rich natural resources and subjected to serious environmental degradation as a result of irresponsible Israeli practices. In that connection, he urged the delegations of Australia, the Marshall Islands, Micronesia and Palau, which had voted against the Second Committee resolution on the subject at the sixty-first session of the General Assembly, and those of Cameroon, Canada, Côte d'Ivoire, Haiti, Nauru and Uganda, which had abstained, as well as those which had been absent during the voting, to review their positions and vote in favour of the draft resolution at the current session.

2. The Syrian application for World Trade Organization (WTO) membership, submitted in 2001, had thus far made no appearance on the WTO agenda. That membership process should not be used as a tool for political pressure by certain influential WTO members.

3. United States trade sanctions against his country had remained in place since 2004. The Syrian Arab Republic was severely critical of any State that imposed or encouraged unilateral measures against another State as a means of political and economic coercion and it therefore called on Member States to comply with General Assembly resolution 60/185 on that subject, which the United States had been alone in opposing.

4. The Syrian economy was under heavy pressure from the war and instability in the region; prices had risen, but the country's essential resources and health, education and other services were also very badly overstretched by the influx of more than one and a half million Iraqi refugees. The international will to address that refugee problem was lacking and it was

unacceptable that the Syrian Arab Republic should have to shoulder the economic and social consequences of the misguided United States and United Kingdom practices in the region. The damage moreover extended to economies worldwide, affected as they were by the surging price of oil and oil derivatives since the occupation of Iraq and the tide of instability and insecurity in the Middle East.

5. With reference to Israel's intended submission of a draft resolution on the subject of harnessing agricultural technology for development, he said that Member States should examine the repercussions of Israel's practices and policies on agricultural resources in the occupied Palestinian territory and the occupied Syrian Golan, all of which were amply described in the report in document A/62/75-E/2007/13. Israel should be ashamed to submit such a draft resolution, for the only technology it had offered to the world involved aggression, occupation and the denial of rights. Any draft that it did submit should reflect its own practices and violations relating to agriculture in the occupied Palestinian territory and the occupied Syrian Golan.

6. **Ms. Phommachanh** (Lao People's Democratic Republic) said that least developed countries and landlocked developing countries needed stronger support in their efforts to eradicate poverty, achieve sustainable development and integrate into the globalized economy. That should be done first and foremost through the full, timely and effective implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 and the Almaty Programme of Action for landlocked developing countries. In particular, the landlocked developing countries needed international assistance for the midterm review of the Almaty Programme of Action to be held in 2008.

7. Increased support was also needed through existing WTO arrangements, including Aid for Trade and the enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries. His delegation attached great importance to the early resumption and conclusion of the Doha Development Round; in that process, favourable consideration should be given to the special needs of landlocked developing countries as outlined in the Asunción Platform for the Doha Development Round. Official development assistance to those countries should be increased, as called for in the 2005 World Summit Outcome. The forthcoming High-level

Dialogue on Financing for Development would generate momentum for the successful conclusion of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Qatar in 2008.

8. The High-level Event on Climate Change had shown the determination of world leaders to tackle the challenge of that phenomenon in an urgent manner. The outcome of the debate would contribute significantly to the success of the thirteenth session of the Conference of Parties to the United Nations Framework Convention on Climate Change, to be held in Bali. Discussions on the issue should be based on the principle of common but differentiated responsibilities and focus on sustainable development. The least developed countries and small island developing States needed financial and technical assistance in building their capacity to adapt and to acquire appropriate technologies.

9. His Government was strongly committed to achieving the Millennium Development Goals and had devised a strategy to address its development priorities, including those of eradicating poverty by 2010 and moving the country out of least-developed-country status by 2020. The sixth Five-Year Socio-Economic Development Plan for 2006-2010 had started out well. Despite the progress made, however, his country faced numerous challenges. As a landlocked least developed country, it had suffered as a result of high transit transport costs which had eroded its competitiveness in regional and international trade and constrained its national revenue. His country needed greater support from the international community.

10. **Mr. Karlyawasam** (Sri Lanka) said that the world should address the issue of climate change within the context of sustainable development and on the basis of agreed Rio principles. It was important to accept differentiated responsibilities in tackling the issue. The world must recognize the value of the forest cover in developing countries, which must be maintained for the benefit of humanity.

11. His Government was committed to achieving the Millennium Development Goals. Sri Lanka was already on par with the goals for primary education, school gender parity and reproductive health services. It was on track towards reaching universal primary education well before 2015. Gender disparity had been eliminated in both primary and junior secondary

education. Child mortality and maternal mortality had been reduced to a level comparable with the levels obtained in some developed countries. The prevalence of HIV/AIDS in Sri Lanka was still relatively low, and awareness programmes were being carried out for vulnerable groups. The challenge was the segment of the population still living below the national poverty line.

12. Sri Lanka had a rural road development programme, a rural development programme, and a national infrastructure development initiative. His Government appreciated the support and assistance it had received from the international community; however, the United Nations system and other donors needed to ensure that project funds were spent on actual delivery on the ground and not on overhead expenses.

13. The time had come for the United Nations to reassert its role in economic and social affairs in the international community. Members must find innovative ways to empower the Department of Economic and Social Affairs and the Second Committee to assume their intended roles.

14. **Mr. Fluss** (Israel) said that broad participation in the High-level Event on Climate Change had generated political will for the forthcoming Bali Climate Change Conference. The Second Committee should lay the groundwork for negotiations on a post-2012 arrangement by adopting a constructive resolution in that regard. Similarly, the third High-level Dialogue on Financing for Development would help preparations for the Follow-up International Conference on Financing for Development to be held in Doha. The Monterrey Consensus had provided an important road map for the elimination of poverty and the consolidation of economic independence for all nations. His delegation hoped for a successful conclusion to the Doha Round of trade negotiations. Israel, which was in the process of joining the Organization for Economic Cooperation and Development, had built its economy on exporting technologies.

15. The Triennial Comprehensive Policy Review would provide an opportunity to assess and improve the efficiency and effectiveness of the operational activities of the United Nations. Further cooperation in partnerships, such as South-South cooperation and cooperation with developed States, was an important

strategy for achieving the internationally agreed development goals, including the Millennium Development Goals, at the global, regional and country levels. Israel was increasing the activities of the MASHAV Center for International Cooperation and its contributions to development. His country would continue to do its utmost to contribute to development in the fields of technology transfer and technical cooperation. It was creating new and innovative partnerships and strengthening its relationships with Member States and with funds and programmes in those areas.

16. Israel looked forward to promoting the transfer of technologies for sustainable development in fields such as agriculture, water, renewable energy and natural resources. The Second Committee should adopt a constructive resolution that would lay the groundwork for the sixteenth session of the Commission on Sustainable Development, which would be considering the linkages between agriculture, rural development, land, drought, desertification and Africa. Progress in that thematic cluster was fundamental to achieving the Millennium Development Goals and sustainable development across the world, especially in Africa. As training was one of the issues on the agenda, Israel would like to emphasize the importance it attached to training and capacity-building.

17. His Government remained committed to strengthening and revitalizing the work of the Second Committee. A rational division of work between the Committee and the Economic and Social Council should be considered. Rationalization of the agenda should continue, including through the clustering of items and sub-items, and biennialization and triennialization as appropriate. Streamlining of lengthy resolutions would also improve the Committee's effectiveness.

18. Finally, his delegation wished to underscore the importance of honouring the working methods of the Committee and in particular of refraining from singling out Member States for political criticism and condemnation. The Committee had witnessed that practice just a few minutes earlier. It was important that the Committee should work in consensus.

19. **Mr. Mbuende** (Namibia) said that, although significant growth had occurred in the developing world, especially in Africa, that growth had not been evenly spread. His own country, for example, had

grown by only 4.6 per cent in 2006. Job creation had not kept up with growth in Africa. Furthermore, oil-importing countries like Namibia had been negatively affected by ever-increasing oil prices.

20. The current impasse in the Doha Development Round had had a negative impact on development and the fight against poverty. It had also affected movement in other areas of negotiations, such as Aid for Trade, and had given rise to a multitude of bilateral, regional and subregional trade agreements which could divert trade negotiations from the multilateral trading system and its rules and principles.

21. The imbalances in the global financial system needed to be addressed. The world's reliance on a single currency made it very vulnerable. The reform of the international financial and economic institutions must result in an increase in the voice and participation of developing countries on an equal footing.

22. The international community had adopted a specific agenda with measurable targets to accelerate development in the poorest countries of the world in both the Millennium Declaration adopted in 2000 and the Monterrey Consensus of 2002. However, no similar advances had been made in respect of development cooperation with middle-income developing countries. The ODA promised in Monterrey remained just promises for developing countries in general and for middle-income countries in particular. The relative success of middle-income countries in a number of areas should not be used to deny the poor in those countries access to much-needed development assistance. If the international community was to reach the target of halving poverty by 2015, the poverty-reduction efforts of middle-income countries needed to be supported through ODA, trade and investment, economic and technical cooperation, and transfer of technology. The United Nations must take the lead in supporting the development efforts of middle-income countries so as to enable them to address the three areas of basic vulnerabilities identified at the two Conferences on Development Cooperation with Middle-income Countries, held in Madrid and San Salvador. The forthcoming High-level Dialogue on Financing for Development would contribute significantly to preparations for the Follow-up International Conference on Financing for Development to be held in Doha in 2008.

23. His Government took the issue of climate change seriously and believed that the principle of common but differentiated responsibilities should always be applicable. As an insignificant emitter of greenhouse gases but a significant victim of the effects of climate change, Namibia's preoccupation was adaptation, for which international support was required. The Global Environment Facility, which supported his country's adaptation efforts, should be sufficiently funded.

24. **Mr. Song** (Democratic People's Republic of Korea) regretted that progress towards the achievement of the Millennium Development Goals was lagging in a number of developing countries, despite their efforts. Disparity between North and South was growing, resulting in further marginalization of developing countries in terms of international economic relations. Concerns had also arisen regarding environmental degradation and natural disasters. Unilateral and coercive economic embargoes against sovereign States continued and were even openly justified on the pretext of anti-terrorism or human rights protection. Such practices were an impediment to the development of developing countries, violated their sovereignty under the United Nations Charter and should be terminated. Member States needed to display political will and make significant efforts to restructure the existing unfair international economic relations.

25. The current protectionist trading system characterized by large export subsidies and anti-dumping tariffs constituted a major stumbling block for developing countries in their efforts to develop and access international markets. The current system must be replaced with a fairer one, in which both developing and developed countries could prosper.

26. Since economic development and capacity varied among countries, no single model could enable all countries to achieve sustainable development. International development assistance must meaningfully contribute to building capacity in developing countries, while respecting individual countries' national development strategies and policies.

27. Climate change and environmental devastation were now emerging as the biggest obstacles to sustainable development. The consequences of indifference could be disastrous; the situation thus required concerted efforts by Member States.

28. The United Nations, given its role to promote the three pillars of sustainable development, should also

make it a priority to facilitate the creation of an international environment favourable to developing countries as they strove to achieve the Goals. It was essential to expand the role of development organizations in the United Nations system, such as the Economic and Social Council, in order to overcome current challenges.

29. Finally, his delegation drew the Committee's attention to certain countries' attempts to use United Nations agencies, including the United Nations Development Programme, as a means of exerting political pressure; that was clearly unacceptable.

30. **Mr. Wali** (Nigeria) said that Nigeria was a keen advocate of a coherent and effective United Nations system and therefore attached great importance to the Triennial Policy Review. The activities of the Commission on Sustainable Development were also crucial, since the Commission served as a fulcrum for the United Nations development agenda. His delegation regretted that the Commission had not been able to reach consensus on the Chairperson's draft negotiating text during its fifteenth session and urged it to concentrate on achieving consensus on issues relating to the implementation of Agenda 21 and the Programme for the Further Implementation of Agenda 21.

31. Because energy was key to sustainable development, it was essential to improve access to new energies. Nigeria therefore fully supported and promoted the development of a flexible energy mix. In that connection, it was intensifying efforts to harness renewable energies and called for international financial investment, technical assistance and capacity-building measures. As an oil-producing country, Nigeria also attached great importance to the development and transfer of clean fossil fuel technologies.

32. Nigeria recognized the link between trade and development and therefore advocated a rapid conclusion of the Doha Round. There was a critical need for a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributed to growth, development and employment generation. Removal of agricultural subsidies would certainly facilitate market access for developing countries. Furthermore, the rules for intellectual property rights should be reformed to enable developing countries to access new technologies and products more easily.

33. He deplored the international financial imbalances and the dominance of the developed countries in setting financial standards. Furthermore, he agreed with the observation that further loss of confidence in the dollar could trigger abrupt changes in the global economy, destabilize the international financial system and jeopardize the achievement of the Millennium Development Goals.

34. Nigeria hoped that the 2008 Follow-up International Conference on Financing for Development would provide for the resources needed to meet the development aspirations of the developing countries. It also called for the speedy implementation of the Paris Declaration on Aid Effectiveness. Development commitments made in 2002 had not yet been met. The current and projected levels of ODA for 2006-2010 fell far short of the \$150 billion deemed necessary for the developing countries to attain the Goals. He therefore urged development partners to scale up their ODA contribution to the agreed target of 0.7 per cent of their GNI. It was equally crucial to honour pledges made in 2005 to double aid to Africa by 2010.

35. Development assistance should be an effective vehicle for delivering quality development, based on sound country-owned programmes integrated into the budget but should not be used to pay experts supplied by the donors. The new Development Cooperation Forum should provide international oversight on development assistance. Resources needed for development had to be made available through debt reduction and cancellation of unsustainable debt.

36. It was generally acknowledged that in future climate change would have a more severe impact on developing countries and make development more difficult and costly for them, particularly in Africa. The international community should therefore focus on ensuring the effectiveness of various initiatives directed at enhancing Africa's capacity to adapt to climate change. The resounding success of the recent informal thematic debate and the High-level Event on Climate Change had demonstrated the political will of States to address the issue of climate change which should lead to a comprehensive outcome at the upcoming Bali Climate Change Conference, based on the principle of common but differentiated responsibilities. The negotiations should be completed by 2009 to ensure that a new agreement would become effective in 2012.

37. Nigeria was fully committed to South-South cooperation, which was no doubt making a tremendous difference to the development architecture of developing countries, and advocated strengthening the Special Unit for South-South Cooperation within the United Nations Development Programme as the focal point for South-South cooperation. To illustrate its commitment, Nigeria had donated \$1 million to the Special Unit for capacity-building and development initiatives. It was encouraging that many developing countries had benefited not only from new investment inflows but also from technology transfer through the South-South mechanism. Nigeria commended the initiative to establish a South-South Global Asset and Technology Exchange and reiterated its call for a target date.

38. In order for the Millennium Development Goals to be achieved, both developed and developing countries needed to follow through on their commitments. Regrettably, donor countries had not done so and furthermore the effects of climate change were seriously hampering efforts to achieve the Goals. Recalling the international community's concern that sub-Saharan Africa would not be able to achieve any of the Goals by 2015, he stressed the need for development partners to urgently fulfil their commitments to Africa. The success of the New Partnership for Africa's Development showed that African countries, with sustained international support and solidarity, were capable of making appreciable strides in good governance and sustainable development.

39. **Mr. Bodini** (San Marino) said that the current political momentum regarding climate change should be harnessed with a view to formulating a global strategy to address the urgent situation. It was the Committee's responsibility to set the stage for the Bali Climate Change Conference. Progress in new technologies and renewable energies were key aspects in that process and should be the focus of the Committee's efforts. Governments and public institutions should, with tax incentives and direct investment, stimulate activity by businesses and civil society in that area. The negative effects of climate change could hinder progress towards the Millennium Development Goals. San Marino remained committed to the Goals and attached great importance to global cooperation and public-private partnerships.

40. The responses of the Bretton Woods institutions should be better coordinated with the General Assembly and the Economic and Social Council to ensure that coherent guidelines and practices were maintained throughout the United Nations system. As pointed out by the representative speaking for the European Union, it was essential to continue strengthening the work of the Committee as part of the revitalization of the General Assembly and to streamline the Committee's work to produce timely, concrete results.

41. **Mr. Paudel** (Nepal) said that poverty eradication and sustainable development remained major concerns for the international community. While progress was being made towards the Millennium Development Goals, the benefits of development were unfairly distributed. The lack of progress in the Doha Development Agenda was a source of concern, as it undermined the development dimension of trade and allowed continued marginalization of poor countries.

42. Without improved market access and infrastructure, efficient production technology and innovative incentives, the poorest countries would not benefit from globalization. In that context, international organizations had a critical role to play. He again called for broad, effective operationalization of the Aid-for-Trade initiative and wider, more efficient access to the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries.

43. The special needs and difficulties of the least developed and landlocked developing countries should be taken into account in all issues under the Committee's consideration. He called for concerted efforts by the international community to address the persistent extreme poverty and marginalization of the least developed countries, particularly by ensuring effective, timely implementation of the Brussels Programme of Action. Likewise, landlocked developing countries faced special difficulties in the transit and transport of goods and services to and from the sea. It was essential to ensure the implementation of the Almaty Programme of Action with a view to furthering meaningful transit transport cooperation and trade facilitation for those countries. In addition, the midterm review of the Almaty Programme of Action, to be held in 2008, should focus on the fulfilment of commitments made. Drawing attention to the special needs of the least developed countries emerging from

conflict, he urged the international community to support them financially and technically so as to help them achieve sustained peace and development. Donor communities should channel aid through national budgets to increase public investment and to support national development priorities. Timely fulfilment of international financial commitments, specifically the implementation of debt relief measures and achievement of ODA targets, would be critical in fostering the socio-economic development of the developing and least developed countries.

44. The vital issue of climate change should be viewed not in isolation but in relation to human security, social and economic development, and environmental protection. It presented both a threat and an opportunity but should not under any circumstances divert the already scarce resources committed to development.

45. The promotion of sustainable development in mountainous regions was important not only for preserving biodiversity but also for supporting the traditional knowledge of mountain peoples and integrating mountainous areas into national economies. The implications of climate change for mountainous regions and those regions' specific needs should be identified and addressed.

46. The High-level Event on Climate Change and subsequent debate had unequivocally underlined the relationship between climate change and poverty eradication, which demanded further collective efforts based on genuine partnership and common but differentiated responsibilities. Nepal hoped that the momentum generated would pave the way for a global agreement on climate change with long-term binding commitments under the United Nations Framework Convention on Climate Change. A start would be made at the upcoming Bali Climate Change Conference.

47. The successful conclusion of Nepal's ongoing peacebuilding efforts remained the Government's top priority, requiring the availability and effective mobilization of resources as well as continued support from development partners. It was equally important to ensure coherent policies at the national and international levels, while strengthening national ownership and leadership of development plans and priorities.

48. Nepal attached great importance to the enhanced development role of the United Nations system and the

operational efficiency of its country-level presence. The focus should be on the implementation of programmes that promoted national and local development capacity-building and supported Goal-based national development strategies. The Triennial Comprehensive Policy Review would be an opportunity for constructive development collaboration.

49. **Mr. Matenje** (Malawi) said that, although science and technology were important for the promotion of sound economic growth and development in rich and poor countries, the digital divide continued to grow. He called on the Committee to consider the relevant agenda item comprehensively and reach a conclusion aimed at reducing that gap and eliminating undue obstacles resulting from the international intellectual property regime, in particular through the provision of essential and affordable public services, the creation of an environment conducive to learning and the development of local technologies based on existing patents. Knowledge-based development was the basic ingredient for reducing poverty in developing countries.

50. The General Assembly's informal thematic debate on climate change, held in late July/early August, and the Secretary-General's High-level Event on Climate Change, held in September, had increased international awareness of the importance of protecting the global climate for present and future generations. As States prepared for the Bali Climate Change Conference in December, the Committee should focus on, and recommend ways of addressing, specific issues of concern. It should unanimously call on developed countries to help developing countries adopt appropriate mitigation and adaptation measures by transferring climate-friendly technologies to them.

51. As the international community prepared for the Follow-up International Conference on Financing for Development, he called on the Committee to address comprehensively such issues as debt relief, ODA, FDI and international trade. In that regard, he urged the Committee to reach conclusions that would help poor countries engage in international trade on equitable terms so as to enable them to generate the resources needed to reduce poverty, instead of relying on handouts.

52. Expressing concern about the continued suspension of the Doha Round, he urged the major

trading countries to demonstrate the flexibility and political will needed to conclude negotiations in a manner favourable to developing countries. He looked forward to the establishment of a fair and balanced international trading system and the removal of agricultural subsidies and trade barriers to non-agricultural commodities and services in order to enhance developing countries' access to international trade.

53. Lastly, his delegation welcomed the side events planned for the current session, provided they were development-oriented and added value to the Committee's discussions. His delegation also expected the selection of panellists and key speakers at those events to take account of regional considerations, so as to ensure a diverse perspective and balance in the discussions.

54. **Mr. Tun** (Myanmar) noted that, according to the *World Economic Situation and Prospects 2007*, developing countries and economies in transition had continued their strong economic performance in 2006, with average growth rates reaching 6.5 and 7.2 per cent respectively. Despite that overall improvement, however, the benefits of development and growth had not been distributed evenly. The economies of many developing countries were still not strong enough to support their Governments' endeavours to achieve their development goals, including the Millennium Development Goals.

55. In order to achieve those Goals, particularly the goal to reduce poverty by half, developing countries needed a much more favourable international economic environment and enhanced international assistance. In order to benefit from trade, they needed a more equitable and development-oriented multilateral trading system. The Doha Round must be concluded and developed countries must demonstrate flexibility and political will in addressing developing countries' concerns. Inequalities in the international trading system would lead only to global economic slowdown and failure by most developing countries to attain internationally agreed development goals. The momentum gained from United Nations resolutions and the outcomes of international development conferences must be exploited so as to help developing countries achieve economic growth, sustainable development and social progress. The High-level Dialogue on Financing for Development would provide an opportunity to strengthen the global partnership and push forward the

international development agenda. Existing international commitments must be translated into actions, the flow of predictable development assistance increased, and innovative sources of financing for internationally agreed development goals found.

56. His Government's National Development Plan aimed to accelerate growth, achieve equitable and balanced development, and reduce the socio-economic development gap between rural and urban areas in Myanmar. Significant progress had been achieved in a number of sectors, including health, education, infrastructure and agriculture. Achievements under the Plan also covered many targets relating to the Millennium Development Goals.

57. He welcomed the international community's reaffirmation, at the High-level Event on Climate Change, of its sense of urgency, commitment and political will in meeting the challenges of climate change. However, climate change would be solved only if its root causes were addressed. Poverty was an underlying cause of environmental degradation, and underdevelopment and deprivation resulted in economic, political and social hardships in developing countries. Unless poverty alleviation was addressed properly, economic growth, social development and environmental protection would not be possible. In that regard, his Government looked forward to a successful conclusion of the Bali Climate Change Conference, which would be a crucial step towards establishing a fair, just and development-oriented climate regime. Developed and developing countries had a common but differentiated responsibility to unite in a global partnership to combat climate change, for the sake of present and future generations.

58. **Mr. Al-Aud** (Yemen) said that focus on least developed countries was essential in view of the major financial and technical difficulties which they faced in implementing their national strategies for poverty reduction, education and human development. Itself in that category, Yemen was striving to achieve the Millennium Development Goals through its own five-year development plan, yet it annually received almost one third less ODA than other countries in similar economic positions. In that context, he urged international partners to fulfil their commitment to the ODA target of 0.7 per cent of GNP and to pursue debt-cancellation or debt-relief measures, market opening, goods-tax exemptions, technology transfer and capacity-building for least developed countries.

59. Implementation of the outcome of the Millennium Summit and the Monterrey Consensus was vital to achievement of the Millennium Development Goals, just as the mobilization of financial resources for development was vital for a global partnership to that end. He therefore looked forward to the impending High-level Dialogue on Financing for Development and stressed that the forthcoming Follow-up International Conference on Financing for Development should examine the fulfilment of earlier commitments and explore new sources of financing for development.

60. Yemen had to prepare to meet the impact of climate change from natural disasters in the region and also shouldered a joint responsibility to save human beings from such threats, which would exact the highest price from the most resource-poor. He therefore called for flexibility at the forthcoming Bali Climate Change Conference and for the commencement of negotiations, to be completed by 2009, for a regime to replace the Kyoto Protocol in 2012.

61. **Mr. Ould Hadrami** (Mauritania) said that his country appreciated the increasing attention devoted by the United Nations to development issues at such forums as the recent High-level Event on Climate Change and the impending High-level Dialogue on Financing for Development. Essentially, however, the growing interest in climate change should be reflected in concrete action such as a commitment from the industrialized countries to reduce their gas emissions, which endangered the ozone layer and had adverse impacts on the environment and on all aspects of human life.

62. In terms of its economy, health and environment, the African continent lagged far behind others and some of its human activities so directly affected the environment as to promote desertification and drought. Sub-Saharan countries, including Mauritania, were also regularly plagued by swarming locusts, a problem with such a grave effect on daily lives that it merited no less international concern than did climate change.

63. For poor countries, debt cancellation alone was not enough; markets should be opened to their exports and customs tariffs reduced. Their membership of WTO would also benefit their economies. Mauritania's recent democratic transformation had laid the foundations for good governance and a promising investment climate. Under World Bank supervision, its

new Government had therefore elaborated a development plan for presentation to its development partners in December 2007.

64. **Mr. Torrington** (Guyana) said that increased attention to climate change in recent weeks had illustrated real and complex dimensions of the issue and its inextricable linkages with the overall development process. For many countries, climate change was not just another development issue, but rather a phenomenon that directly affected their efforts to improve their people's standard of living and seriously threatened their chances of attaining the Millennium Development Goals. That increased attention should result in more pragmatic and ambitious goals for the upcoming negotiations in Bali and a post-Kyoto regime supportive of developing countries' efforts and ensure that the realities of achieving sustainable levels of development, particularly in pursuit of the Millennium Development Goals, were clearly engraved in the international consciousness. In that connection, the Guyanese delegation to the High-level Event on Climate Change had called for increased and easily accessible financial resources and capacity-building for climate change mitigation by developing countries.

65. Trade was his Government's preferred means of achieving sustainable levels of development. It had been demonstrated that the successful conclusion of the Doha Round could generate additional resources for development of between \$250 billion and \$400 billion a year. Noting that agriculture had been the focus of negotiations, he said that 75 per cent of the world's poor lived in rural areas and worked in agriculture or related activities. Agriculture was also the sector most affected by the policies of developed countries. Developed countries continued to propagate the thesis that free trade guaranteed prosperity for all. In reality, however, countries such as his own simply could not successfully compete in fully liberalized markets unless they were assisted in making a gradual transition. It was imperative, therefore, that negotiations on future trade arrangements paid due regard to the development challenges of small States.

66. Guyana agreed that each country bore primary responsibility for improving the quality of life of its citizens and had therefore worked hard to ensure that it was better poised to take advantage of opportunities in the international economy and thrive in the modern world. The way to achieve that vision was to build on

the positive foundations established thus far while at the same time addressing evolving challenges through a strategy premised on a deep commitment to social justice and an unshakeable belief in the power of a vibrant free-market economy.

67. His Government was committed to a Caribbean single market and economy. The region could survive best by accelerating the integration process already under way. A pivotal element of that approach was to revitalize agriculture and foster greater food security. Agriculture continued to play an important role in many economies in the region and the sector's performance was crucial to the Caribbean's prospects for achieving the Millennium Development Goals. As well as diversifying into other viable economic ventures, the region had worked hard to make its agricultural sector more dynamic and competitive. The Jagdeo Initiative represented a comprehensive strategy for achieving those objectives.

68. The entrenched inequality at all levels and within and across countries and regions posed a challenge to global prospects for peace and security, and underscored the need for cooperation in today's globalized world. In that regard, his delegation had noted with interest the perspective expressed in the keynote address at the beginning of the Committee's general debate (A/C.2/62/SR.2) that, in the received wisdom of the day, the interests and fortunes of small States remained peripheral to the agendas of major State and non-State actors at the international level. There was an urgent need to demonstrate the reality of global interdependence. Neither the fuller integration of small States into the international economy, nor support for their participation in trade, nor the principle of common but differentiated responsibility could or should be premised on mere altruistic inclinations.

69. The Committee should take stock of the progress made on the Millennium Development Goals and seek to invigorate efforts to facilitate the achievement of those Goals by the largest possible number of countries. The United Nations was particularly suited to lead the way towards a truly global partnership for development. In recognition of that fact, his Government had submitted to the General Assembly an initiative calling for a new global human order based on equity and social justice. The world needed to formulate a qualitatively different and more holistic strategy leading to a strong political consensus and

broad-based partnership to address the agendas for global peace and development.

70. **Mr. Saleh** (Lebanon) said that the serious challenges facing the global economy were likely to become even more pronounced with the expected global economic downturn in 2007. Those challenges were further aggravated by the slow pace at which the internationally agreed development goals, including the Millennium Development Goals, were being implemented. Since there had been no major achievements on that front, he doubted whether those Goals would be reached by 2015. He emphasized the need to implement the outcomes of all United Nations conferences and summits in the economic, social and related fields.

71. Expressing concern about developing countries' continued vulnerability to any economic slowdown in the major developed countries and about the decline in ODA, he called on developed countries to make concrete efforts to achieve the Monterrey targets and to promote additional debt cancellation, relief and restructuring for the heavily indebted poor countries.

72. On the issue of climate change, a choice must be made between individual interests and the common good. In his delegation's view, the common good resided in emissions being substantially reduced and all countries participating in an effective and appropriate international response to climate change, in accordance with their common but differentiated responsibilities and their respective capabilities and socio-economic conditions. The United Nations Framework Convention on Climate Change and the Kyoto Protocol were the appropriate instruments for addressing climate change. Their objectives should be implemented with full observance of the principles contained in the Rio Declaration on Environment and Development, in particular principle 7 on common but differentiated responsibilities. Moreover, climate change should be addressed within the context of sustainable development, with equal weight given to economic development, social development and environmental protection. Now that the High-level Event on Climate Change had shed more light on the issue, his delegation hoped that the Bali Climate Change Conference would galvanize enough political will among Member States to increase the momentum of negotiations and achieve a comprehensive and all-inclusive agreement establishing a new regime for curtailing developed countries' emissions post Kyoto.

73. The High-level Dialogue on Financing for Development and the Follow-up International Conference on Financing for Development would present a renewed opportunity to reiterate the need for mechanisms to facilitate implementation of the commitments made in the Monterrey Consensus, and to consider innovative sources of financing for development.

74. In addition to providing normative and policy guidance to some 40 United Nations development system entities, the resolution arising from negotiations on the Triennial Comprehensive Policy Review should stress that the Organization's operational activities must be nationally owned and led, demand-driven rather than donor-driven, and free from any conditionality. In that regard, he reiterated the need to increase core funding for such activities and preserve the multilateral and neutral nature of such funding.

75. His Government supported efforts to strengthen the Economic and Social Council; welcomed the establishment of the Development Cooperation Forum and the holding of the first Annual Ministerial Review at the Council's most recent substantive session; called for the early resumption and completion of the Doha Round, the continued suspension of which hindered the achievement of the Millennium Development Goal of developing an open and rule-based trading system; supported the Aid for Trade Initiative; and supported calls for reform of the Bretton Woods institutions.

76. Lastly, the international community should pay more attention to the dire economic, social and humanitarian situation of people currently living, or having previously lived, under foreign occupation and recognize the impact that foreign occupation had on their sustainable development and livelihood. The Committee should send a clear message to the aggressor that deliberate attacks on the environment would not be tolerated.

77. **Mr. Buffa** (Paraguay) said that the lack of progress in the Doha Round was a real setback for developing and landlocked countries such as Paraguay, whose progress towards industrialization continued to be hampered by such obstacles as closed markets, additional transit costs and tariff protectionism. Nevertheless, Paraguay had succeeded in becoming a leading producer of a variety of agricultural goods, which demonstrated that if developed countries removed their anachronistic agricultural subsidies and

became truly open to bilateral trade then developing countries would not in fact need to receive ODA in the first place.

78. Within the framework of the Common Market of the South (MERCOSUR), Paraguay had successfully demonstrated that asymmetries should be seen as limitations that slowed down the harmonious development of regions. As a result, the MERCOSUR Structural Convergence Fund had recognized the need to improve the production and transport infrastructure of smaller economies.

79. Agricultural production in Paraguay was increasingly threatened by climate change in the form of prolonged droughts, frequent forest fires and creeping desertification. Agricultural producers in Paraguay had therefore begun to focus on producing cheaper and more environment-friendly sources of energy, such as ethanol and biodiesel. The availability of those alternative fuels was expected to reduce Paraguay's dependence not only on costly oil imports but also on external financing for development.

80. His delegation welcomed the adoption of General Assembly resolution 61/212 on specific actions related to the particular needs of landlocked developing countries, which reaffirmed the importance of trade and trade facilitation as one of the priorities of the Almaty Programme of Action. However, as a landlocked developing country, Paraguay continued to call for special and differentiated treatment that was effective. To that end, it was important to recall that landlocked developing countries were not simply a vulnerable group within the United Nations but, moreover, members of WTO.

81. The imposition of quotas, countervailing duties and tariff peaks and escalations by developed countries was inconsistent with globalization. Thus, with a view to overcoming such problems and establishing a fairer international economic system, the Committee should make every effort to focus on the key topics on the development agenda.

82. **Mr. Mero** (United Republic of Tanzania) expressed concern that a slowdown in the global economy would have a negative impact on efforts to achieve the Millennium Development Goals. His country was already facing a number of challenges that constrained the rate of its own development, including a limited capacity to mobilize domestic and external resources for development, poor terms of trade, supply-

side constraints, inadequate infrastructure and an HIV/AIDS pandemic. Nevertheless, it was making some progress towards achieving its targets, particularly in the areas of primary education, gender equality and child mortality.

83. The United Nations must make every effort to mobilize the political will to break the current deadlock in the Doha Round in order to ensure that countries continued to operate within a rule-based regime. The convening of a high-level meeting might be the best way to bring about the resumption of those negotiations.

84. The overall economic performance of the United Republic of Tanzania had been strong in recent years as a result of a sound macroeconomic policy framework, progress on structural reforms and substantial private sector involvement. However, the unsustainable level of national debt continued to pose a serious challenge to further development efforts, despite the debt relief that had been provided under the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative and other bilateral debt relief initiatives. While negotiations were still ongoing to reduce the debt burden further, it was clear that his country would not be in a position to repay its debts in the foreseeable future. Moreover, if the international community was serious about reducing poverty, the obvious solution was to cancel the overall multilateral debt of developing countries in order to release the resources necessary for poverty reduction and development. For their part, the developing countries would need to mobilize their domestic resources.

85. Despite the fact that large amounts of financing were required for development, the international community should view financing for development positively. In the case of Africa, for example, such financing could stimulate demand and promote an exchange of goods, services and factors of production. Current developments in Africa in general, and in his country in particular, showed that financing for development could also lead to steady growth once a certain momentum had been established. The forthcoming High-level Dialogue on Financing for Development should therefore make serious efforts to find alternative means of financing for development.

86. His country frequently suffered from some of the most destructive consequences of climate change, such as severe droughts and floods. Given the need for

urgent global action to curb greenhouse gas emissions, negotiations leading to a post-2012 agreement should begin as soon as possible. Furthermore, in view of the negative impact of the current energy crisis on the national economy, his Government would support all efforts to promote alternative energy sources and energy efficiency.

87. Science and technology had a crucial role to play in the quest to achieve the Millennium Development Goals and the other internationally agreed goals. Technology transfer to developing countries should therefore also be encouraged, particularly since globalization tended to widen the technology gap between developed and developing countries.

88. Finally, his delegation supported the operational activities of the United Nations and looked forward to a positive outcome of negotiations on the Triennial Comprehensive Policy Review. A focused Review would help to make real progress towards the achievement of the Millennium Development Goals and the other internationally agreed goals.

89. **Mr. Maboundou** (Republic of the Congo) welcomed the attention paid by the United Nations to such issues as sustainable development, climate change, debt relief and poverty eradication. His Government was resolutely engaged in reforms in those areas and was also committed to promoting international trade and development, information and communication technologies, and financing for development.

90. The deadlock in the Doha Round threatened not only to cause a protectionist backlash harmful to developing countries but also to hamper the implementation of the commitments made by WTO member States to eliminate all forms of export subsidies by the end of 2013.

91. His delegation attached particular importance to the promotion of information and communication technologies in developing countries as the best means to bridge the digital divide. In that respect, it hoped that the commitments entered into at the 2005 World Summit on the Information Society would help to create a global knowledge society that allowed everyone equal access to the benefits of technology.

92. Financing for development in his country was unfortunately limited by such factors as an unbearable debt burden, a lack of domestic savings and a very low volume of foreign direct investment. Nevertheless,

implementation of a national poverty reduction strategy paper was expected to lead to a wide range of improvements in such areas as education, employment, health, security and governance. A rigorous monitoring and evaluation system had also been put in place to ensure the success of that initiative.

93. Finally, his delegation welcomed the holding of the recent High-level Event on Climate Change and commended the initiative for a joint approach to be submitted by the countries of the Congo Basin, Amazonia and Borneo at the forthcoming Bali Climate Change Conference.

94. **Mr. Ja'afari** (Syrian Arabic Republic), speaking in exercise of the right of reply, said that his delegation had always emphasized the importance of not politicizing economic and social issues. However, the concluding remarks by the representative of Israel confirmed a desire to deprive Member States of the right to discuss the difficulties they faced in their attempts to achieve economic growth and sustainable development.

95. All would agree that foreign occupation was totally incompatible with economic growth and sustainable development. However, only the previous day Israel had confiscated some 110 hectares of farm land in Arab Jerusalem. Furthermore, Israel continued to impose high taxes on Syrian farmers in the occupied Golan Heights in order to deprive them of access to Israeli markets and ultimately to force them from their land to make way for Israeli settlements. It was time to hold the Israeli leadership accountable for such actions.

96. The scandalous practices of Israel had been well documented by the United Nations for several decades right up to the most recent ones, such as Israel's disregard of the advisory opinion of the International Court of Justice on the illegality of the separation wall in the occupied Palestinian territory. Special sessions of the Human Rights Council had been held to denounce inhumane Israeli practices in the occupied territories and every year the Special Rapporteurs continued to catalogue the negative economic and social effects of Israeli practices on Arab lands. Did such practices not seek to undermine all the efforts made by the Syrian Arabic Republic and Palestine to achieve sustainable development and economic growth and did they not also deprive the people affected of their right to development?

The meeting rose at 12.40 p.m.



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Chairperson: Mr. Le Roux (Vice-Chairperson) (South Africa)

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In the absence of Ms. Lintonen (Finland), Mr. Le Roux (South Africa), Vice-Chairperson, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 52: Macroeconomic policy questions

(b) International financial system and development (A/62/119 and A/62/71-E/2007/46)

(c) External debt crisis and development (A/62/151 and A/62/71-E/2007/46)

1. **Mr. Montes** (Chief, Policy Analysis and Development Branch, Department of Economic and Social Affairs) introduced the report of the Secretary-General on the international financial system and development (A/62/119).
2. **Mr. Khalidi** (United Nations Conference on Trade and Development (UNCTAD)) introduced the report of the Secretary-General on recent developments in external debt (A/62/151), which presented a comprehensive analysis of the principal issues and developments relating to external debt, in particular those faced by developing countries.
3. **Mr. Mero** (United Republic of Tanzania) asked to what extent countries were expected to treat local debt differently from external debt.
4. **Mr. Khalidi** (United Nations Conference on Trade and Development (UNCTAD)) said that the report had emphasized that, given adequate capacity to manage public debt strategies, domestic debt could be safer than external debt. However, the exact combination of domestic debt and external debt would depend on the macroeconomic circumstances of each developing country. The report had merely attempted to highlight that the emergence of financial markets in developing countries for development purposes was welcome.
5. **Mr. Bagchi** (India) asked whether the threat of currency mismatches applied mainly to external debt or whether, except in the case of full capital account convertibility, such risks also applied to domestic debt.
6. **Mr. Khalidi** (United Nations Conference on Trade and Development (UNCTAD)) said that domestic debt was generally considered safer because it was associated mainly with maturity mismatches, whereas external debt was associated with both maturity mismatches and currency mismatches.
7. **Mr. Montes** (Chief, Policy Analysis and Development Branch, Department of Economic and Social Affairs) noted that capital account convertibility was an important international issue owing to the interest of foreign investors in purchasing domestic debt and the difficulty experienced by countries with capital accounts in maintaining competitive exchange rates for the purpose of trade.
8. *The Chairperson invited the Committee to engage in a general discussion on the item.*
9. **Mr. Khan** (Pakistan), speaking on behalf of the Group of 77 and China, said that, while the debt relief provided under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) might have freed resources for development, it was inadequate to enable developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals. Urgent, bolder and more comprehensive initiatives were required to resolve the external debt problems of developing countries in an effective, equitable and developed-oriented manner.
10. Debt relief had been too slow and had not been additional as originally planned; furthermore, it should be expanded to cover countries in need that were not part of the MDRI and HIPC Initiative. It was essential to reconsider the modalities and eligibility criteria for debt relief so as to ensure additionality and support future debt relief for all those who needed it.
11. Additional resources and full implementation of aid commitments were essential to dealing with the debt problems of developing countries in a comprehensive manner. In that connection, the Group of 77 and China was seriously concerned that, despite promises of an additional \$50 billion, ODA flows had actually declined and relied heavily on debt cancellation and restructuring. While debt relief could play a role in liberating resources, it should not replace other sources of financing.
12. Debt sustainability should be linked to a country's capacity to achieve its national development goals, including the internationally agreed development goals. Equally crucial was case-by-case flexibility as regards thresholds. Finally, debt scenarios involving external shocks should be considered and debt sustainability analyses should not be based on the use of subjective governance indicators. Long-term debt sustainability could also be ensured through

increased grant-based financing, cancellation of 100 per cent of the official multilateral and bilateral debt of heavily indebted poor countries, and significant debt relief or restructuring for low-income and middle-income countries with an unsustainable debt burden. The efforts of developing countries to maintain debt sustainability would also be greatly facilitated by improved market access for their exports and other measures to enhance their productive capacity.

13. The Group of 77 and China found dubious, as did the Secretary-General in his report, the assertion that new bilateral lenders might be benefiting from the latest round of debt relief without sharing the burden of the cost. The presence of new lenders was generating healthy competition, thus giving recipient countries choices, and enabling them to attract much-needed resources for development in areas where traditional lenders had reservations about lending.

14. Turning to agenda item 52 (b), he said that developing countries were increasingly vulnerable to the actions of developed countries, over which they had little or no control, particularly those involving the development and marketing of innovative and complex financial products. Clearly, there was a need for more stringent regulatory mechanisms and transparency in handling such innovations in developed countries. Hastily conceived initiatives could have devastating implications for developing countries.

15. The rich could not continue to determine the global finance, monetary and trade policies that so significantly impacted on the destinies of billions of people in the poorest countries. While governance reforms might be pursued in the medium to long term, it might also prove necessary to develop measures to address the challenges of a slowed and recession-prone global economy. The Group of 77 and China supported a comprehensive reform of the international financial architecture, including increased voting power for developing countries, in a time-bound manner. The reform efforts should also address financial stability and access to financing for those countries that actually needed it. Current attempts to reform the International Monetary Fund (IMF) addressed only certain aspects of those challenges. Changes in the distribution of voting rights alone would not resolve the fundamental problems of instability and unavailability of liquidity. The international community needed to develop a strategic vision for the comprehensive reform of the international financial and monetary system that

supported the objectives of rapid, balanced and sustained growth and development in a globalized economy. Reform must encompass creation of liquidity, including Special Drawing Rights, ODA, debt, FDI and private investment.

16. **Ms. Gomes** (Portugal), speaking on behalf of the European Union, the candidate countries Croatia and the Former Yugoslav Republic of Macedonia, the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia and, in addition, Armenia, Georgia, Moldova and Ukraine, said that the European Union was actively participating in the Aid for Trade discussion and was hoping to conclude a joint European strategy on Aid for Trade by the end of 2007. The European Union was collectively committed to raising its overall trade-related assistance to 2 billion euros annually by 2010. The economic partnership agreements currently being negotiated with the African, Caribbean and Pacific States were a tangible example of its commitment to linking trade, economic integration and development.

17. The Doha negotiations had made more progress than was realized. The point had been reached where the cost of not reaching an agreement was far greater than the residual cost of not closing the Round.

18. The European Union had undertaken to increase ODA, in line with the Paris Declaration on Aid Effectiveness. Member countries had collectively surpassed the 2005 ODA target of 0.39 per cent of gross national income and remained committed to reaching the target of 0.7 per cent of gross national income by 2015, with an intermediate collective target of 0.56 per cent by 2010. In order to move forward with the implementation of the Paris Declaration, the European Union was promoting improved complementarity among donors.

19. The European Union welcomed innovative sources of financing introduced and supported on a voluntary basis by some member States, especially health initiatives such as the International Finance Facility for Immunization and UNITAID, as well as the Advanced Market Commitments for the development of new vaccines. Some members supported a levy on foreign exchange transactions. Innovative financing mechanisms and solutions should also be explored to finance environmental activities, particularly those related to climate change in developing countries, including the carbon market. Such initiatives, as well

as the role of other providers of technical and financial cooperation, should be considered in accordance with the principles of the Paris Declaration. While remittances were private resources that should not be a substitute for ODA, their potential development impact should not be underestimated or ignored. There continued to be a need to ensure cheaper and safer transfers of remittances.

20. European Union member States had committed additional resources to significant efforts in debt relief. The Union encouraged responsible borrowing and lending and use of the Debt Sustainability Framework by all borrowers and lenders. It welcomed the IMF consultations to address global imbalances, supporting policies to reduce them while sustaining economic growth. That would be done through exchange rate policies and domestic economic policies that fostered domestic stability. The European Union continued to support the governance reform efforts in the World Bank and IMF, including giving developing countries a stronger voice in decision-making. The two main goals were to ensure that the distribution of quotas adequately reflected the member countries' economic weight and role in the global economy and financial system and their ability to contribute financially, and to strengthen the voice of low-income countries in IMF. The European Union remained committed to ensuring the effective participation of developing countries and countries with economies in transition in the international financial institutions.

21. **Mr. Talbot** (Guyana), speaking on behalf of the member States of the Caribbean Community (CARICOM) that were Members of the United Nations, said that prudent macroeconomic policies underpinned the efforts of CARICOM Member States to address some of the peculiar challenges the region faced. The Community had sought to increase economic viability and competitiveness through deeper levels of integration with the establishment of the Caribbean Single Market and Economy (CSME). A coherent, facilitative and supportive international macroeconomic framework was needed to foster the economic performance and general development of the small economies concerned. Incoherence and gross imbalances in the global economy, including the international trade and financial system, adversely impacted CARICOM States and made their development dilemma more acute.

22. Until a balanced and fair outcome was achieved in the Doha Round, the credibility and viability of the international trading system would remain questionable. CARICOM supported the principles of special and differential treatment and attention to the concerns of small economies. The special challenges facing small developing States were particularly apparent in the management of official debt. While some members of CARICOM had benefited from significant debt cancellation, especially through the MDRI and its extension to the Inter-American Development Bank, other members had seen a significant rise in their stock of debt and increasingly more unfavourable rates of borrowing, and still others had seen little or no improvement in their debt-to-GDP ratio. If that situation persisted, particularly in the context of rising interest rates for multilateral and private loans, the debt burden would increase dramatically and impact negatively on the economic growth prospects of CARICOM countries. The international community must focus on examining the severe debt burdens of small vulnerable States characterized as middle-income or lower-middle-income countries.

23. Innovative sources of financing for development should complement and not replace ODA. CARICOM reiterated the call for developed countries to attain the 0.7 per cent target for ODA and to accelerate implementation, including of the Monterrey Consensus. CARICOM looked forward to the Follow-up International Conference on Financing for Development to be held in Qatar in 2008.

24. The CARICOM countries needed greater international support in cases of natural disasters, to which the region was highly vulnerable. They attached importance to the recent establishment of the Caribbean Catastrophe Risk Insurance Facility and hoped that affected countries would be able to access emergency funds upon request.

25. Increased disparities and rising levels of inequality within and between countries and asymmetries in regional integration processes contributed to economic, social and political marginalization and must be overcome in order to achieve equitable and just integration. CARICOM countries had made strenuous efforts to achieve and maintain high standards of living for their people, with increased focus on social inclusion.

26. **Ms. Asmady** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the High-level Dialogue on Financing for Development should focus on the implementation of the Monterrey Consensus and on new and innovative sources of financing for development. The Philippines and Indonesia had initiated debt-swap schemes as a durable solution to their serious debt problems. ASEAN was aware of the external challenges to the region arising from global imbalances and volatile capital flows. Members had resolved to remain vigilant risks and to maintain sound fiscal and monetary policies while continuing to implement policies that would sustain domestic demand as an anchor of growth.

27. ASEAN had embarked on an ambitious integration process that would culminate in the creation of an ASEAN Economic Community (AEC) by 2015, comprising a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy. Once AEC countries were integrated into the global economy, market access and production opportunities would not be limited to ASEAN but would also be available to its free trade agreement partners. Free trade agreements were currently being negotiated with China, the Republic of Korea, India, Japan, and Australia and New Zealand.

28. To address volatile financial situations, ASEAN, along with China, Japan and the Republic of Korea (ASEAN + 3), had moved towards short-term currency-swap arrangements under the Chiang Mai Initiative to reduce the region's vulnerability to fluctuations in international capital movements. In addition, the Asian Bond Market Initiative had been launched as a tool for achieving a strong and resilient regional and international financial system.

29. Thanks to the diversity among ASEAN member countries, the region offered many opportunities for tourism and business. Asia was one of the fastest-growing and most dynamic regions in the world. The efforts of ASEAN were bearing fruit, as evidenced in the fact that foreign direct investment in the region had grown by 17 per cent in 2005.

30. **Mr. Ehouzou** (Benin), speaking on behalf of the African Group, said that the institutions, governance and activities of the international financial system had

to adjust to new global circumstances, while maintaining a focus on their original mandate. Poverty eradication and achievement of the Millennium Development Goals must be considered a priority by the international community, including the Bretton Woods institutions.

31. Little was being done to reverse the net resource flows from developing to developed countries. Official development assistance had been following a downward trend and nothing had been done to address the limited participation of developing countries in the decision-making processes of key international financial institutions. A comprehensive reform of the international financial architecture was needed to reflect changes in the international situation, with a view to ensuring stability of the global economy and due recognition of the needs of developing countries.

32. It was important to continue debt relief efforts, since many countries continued to devote more resources to repaying their debts than to meeting the basic needs of their people. The achievement of the Millennium Development Goals would require substantial financial flows to developing countries and low-income African countries, provided on concessional conditions in order to prevent debt distress and future indebtedness. Debt repayments made countries less able to invest in education, health and infrastructure and could also jeopardize economic growth. In addition, as external debt had to be repaid in foreign currency, African countries found it increasingly difficult to deal with growing outstanding debt.

33. Debt relief would therefore not be very beneficial as long as poor countries continued to experience difficulty in maintaining debt sustainability. Moreover, relief alone could not guarantee debt sustainability; the latter required strong economic growth, mobilization of natural resources, export diversification and opportunities, and a resulting international climate hospitable to development. African countries needed total cancellation of their debts if they were to achieve the growth necessary to reach the Millennium Development Goals.

34. **Mr. Pataki** (United States of America) welcomed the Secretary-General's report, which made a strong case for renewed efforts to build debt management capacity in developing countries and for greater

transparency and accountability in public debt management.

35. The progress achieved in sub-Saharan Africa provided reason enough not to use the word "crisis" in references to debt relief. However, it was important to solidify the gains made by ensuring that resources available as a result of debt relief were used for poverty reduction and that the lend-and-forgive cycle did not resume. There were opportunities for developing countries to tap resources needed to finance economic development and part of the challenge was building the capacity of those countries to pursue sound macroeconomic policy and to successfully manage debt, particularly in an increasingly complex global financial market. Developing countries must demonstrate commitment to use freed resources for poverty alleviation and economic growth. Otherwise, the HIPC debt relief process would simply lead to wasted resources and threaten donor support for the Initiative. The fact that several eligible countries had not started or completed the HIPC process suggested that further effort was required to build the political will and capacity to manage effectively debt and economic policy. Any delays in that process should not be perceived as creditors' unwillingness to provide debt relief.

36. As part of building capacity and encouraging responsible debt management, traditional and emerging donors and creditors must incorporate debt sustainability into their lending practices. There was a major need for transparency by lenders and borrowers, as well as increased accountability in order to ensure that investments did not begin another cycle of unsustainable debt. Good governance attracted additional investments. The suggestion in the Secretary-General's report that the pursuit of sound economic policies in developing countries was not rewarded was simply unfounded. Clearly, the middle-income countries that had worked hard to improve governance had been able to tap into the private international capital markets as very important sources of development financing.

37. Unconditional and wholesale debt relief or debt restructuring that was not grounded in a debt sustainability framework would only weaken debt markets and reduce access to new credits. Calls for new debt relief facilities for middle-income countries only served to divert attention and resources away from the quest for a lasting solution to the debt

problems of those most in need of support. An efficient international capital market required debtors to recognize and honour their repayment obligations. Debtors in arrears who were unable to meet those obligations should pursue economic policies and reforms that opened access to existing facilities for restructuring debt.

38. Meaningful debate on reform of the international financial institutions was already taking place in those bodies where the United States supported an expanded role for developing countries, especially major emerging markets. The Committee's deliberations should not prejudice the outcome of such debate or offer unproductive criticism. Instead, they should focus on debt sustainability. In that connection, the United Nations system had several roles to play. First, it should help build debt management capacity in borrowing countries as well as urge debtor countries to pursue sound economic and debt management policies that would open the door to relief from unsustainable debt. Second, the Organization should, by working with the international financial institutions, promote healthy financial markets so that developing countries might gain access to credits as an important means of mobilizing resources to finance development. It would similarly be important to encourage responsible debt management and lending practices to ensure that debt relief was not wasted but furthered joint efforts to reach internationally agreed goals. Finally, the Organization could help foster the political will among creditors to provide comparable treatment to debtor countries that had already signed sustainable debt relief agreements with the Paris Club and other creditors.

39. **Mr. Alim** (Bangladesh) said that the external debt situation of developing countries, particularly the least developed countries, remained a source of serious concern, as it continued to worsen and was often a hindrance to development financing. Accelerating debt servicing posed a dilemma for the policymakers of developing countries, who had to determine how to use their scarce resources to service their debts and still meet their peoples' basic needs. The current situation thus bore out the failure of past international engagements to yield positive results.

40. The MDRI had benefited some low-income countries and should be extended to all least developed countries immediately. Such efforts must be buttressed by significant development assistance, enhanced investment and full market access with

capacity-building for export diversification. Current debt relief initiatives had been slow and had failed to liberate sufficient resources for the countries concerned.

41. Aid effectiveness had three basic components: a concrete, time-bound commitment to meeting the target contribution of 0.7 per cent of GNP as ODA; high-quality aid; and efficient utilization by recipient countries. In that connection, he looked forward to a comprehensive outcome of the Third High-level Forum on Aid Effectiveness, to be held in Ghana in 2008. The establishment of a permanent mechanism in the United Nations to represent the interests of recipient and donor countries alike deserved further consideration.

42. It was of utmost importance to revitalize the role of the Bretton Woods institutions. Furthermore, the current situation in which developing countries were heavily engaged in self-insurance through the accumulation of significant levels of international reserves, while at the same time borrowing at a very high interest rate to finance their own development, must be reversed. There must be a new system to allow the least developed countries to borrow, at zero interest mark up, against their own reserves.

43. Good governance was essential in the international financial system. Developing countries were seriously underrepresented in the Bretton Woods institutions and a fundamental reform of the institutions' voting system and accounting structures was needed. Doubling of basic votes, as called for by the IMF Board of Governors in 2006, would not affect the distribution of power or change decision-making procedures. Special weighing should be given particularly to the least developed countries in the new quota formula.

44. The importance of multilateral surveillance and policy coordination could not be overstated. Surveillance should focus on system stability and on the spillover impact of the macroeconomic and financial policies of the larger economies on other countries.

45. In searching for a solution to the debt problems of developing countries, the United Nations system should complement the Bretton Woods institutions. The World Bank Group needed to expand its role in supporting fulfilment of the Millennium Development Goals through enhanced delivery of technical assistance and concessional lending. The International

Development Association needed to shift to an all-grant facility without conditionality for the least developed countries. Such countries should also enjoy full flexibility in determining their macroeconomic policies.

46. **Ms. Zvereva** (Russian Federation) said that the international financial institutions, particularly the World Bank Group, played an important role in monitoring the international financial system and ensuring its stability. Her delegation hoped that the Committee's debate would shed further light on other important issues, such as multilateral surveillance for the prevention of financial crises, promotion of macroeconomic stability and strengthening of national financial and banking sectors.

47. The Russian Federation had made a significant contribution to the stability of the international financial system, primarily through the early payment of its external debt to IMF and the Paris Club creditors but also through the assistance it had provided to the least developed countries. In fact, her Government had agreed to contribute \$43.5 million to an IMF programme providing assistance to poor countries suffering from external shocks and it would also contribute \$90 million to the International Development Association over the period from 2003 to 2014.

48. Her country was engaged in targeted efforts to provide development assistance and debt relief for the least developed countries within the framework of the Paris Club and other international organizations. In that connection, it had supported the HIPC Initiative since its inception as one of the most important instruments for mobilizing resources and solving socio-economic problems. Such support also had proven to be important for the practical implementation of the Initiative. The Russian Federation itself had cancelled \$11.3 billion of African debt under the HIPC Initiative to date. However, debt cancellation alone would not be effective unless the international community worked together to help developing countries increase their economic effectiveness. Without economic growth in developing countries, all cancelled debt would very soon be replaced by new debt.

49. **Mr. Benfreha** (Algeria) said that the implementation of the development agenda depended on the creation of a global partnership for development, which in turn required better multilateral

surveillance. Proper surveillance was the only way to protect vulnerable economies from financial crises. The establishment of a predictable and non-discriminatory international financial system was essential to the attainment of international development goals and acceptable levels of development. The reform of that system should take account of the concerns of all developing countries. In particular, IMF and the World Bank should improve developing country representation through quota reform.

50. The Bretton Woods institutions and the United Nations should cooperate more closely, particularly in drawing up global strategies to promote development and protect vulnerable economies from the effects of global economic and financial instability. The international financial system could play a key role in mobilizing the external financing needed to promote development and reduce poverty, by promoting international capital flows and encouraging countries to honour their commitments on ODA and debt relief. The interaction between that system and international trade was undeniable.

51. The ever-increasing gap between developing and developed countries was further aggravated by the net transfer of financial resources from the former to the latter. The fact that such transfers had increased — from \$533 billion in 2005 to \$662 billion in 2006, according to the Secretary-General's report (A/62/119, para. 1) — was a matter of concern.

52. Exchange rate reserves were dictated by the international financial architecture and used primarily to pay off debts, protect against external crises and maintain financial stability. The recent increase in such reserves warranted a proper discussion. Developing countries must be assisted in managing those reserves in such a way that benefited, rather than hampered, their development. At times of crisis, they should also have access to liquidity at a reasonable cost. Even though the external debt situation of some developing countries had improved, debt and indebtedness still weighed heavily on many countries. The United Nations, the international financial institutions and the private sector all had a role to play in providing debt relief to the most indebted countries. Development partners should also honour their commitments.

53. Lastly, the United Nations should continue to focus on the interrelation between the international financial system and development. The implementation

of multilateral measures to strengthen coherence between international financial, commercial and monetary governance would complement developing countries' efforts.

54. **Ms. El Midaoui** (Morocco) said that the international community must pay more attention to the stability and development of developing countries and help them become integrated into the global economic and financial system. The concrete measures taken by development partners concerning debt and ODA, while welcome, were insufficient. Neither the commitments made at the Fourth Ministerial Conference of the World Trade Organization (WTO), held in Doha, nor the deadlines established at the Sixth WTO Ministerial Conference, held in Hong Kong, had been met. On the contrary, protectionism and subsidies had increased. Her delegation was concerned and frustrated by the uncertainty hanging over the conclusion of negotiations since the failure of the Group of Four meeting in Potsdam in June. The international community was far from fulfilling its promise to make trade an engine for growth and poverty reduction. In the meantime, ODA continued to decline, and debt stocks and servicing to increase.

55. The adverse effect of external debt on the development efforts of developing countries was further aggravated by falling commodity prices and, therefore, export revenues, rising interest rates, and the fact that external debt must be repaid in foreign currency. Her delegation therefore endorsed the Secretary-General's suggestion (A/62/151, para. 23) that the international financial institutions could switch to a system in which they borrowed and lent in the currencies of their client countries. The debt sustainability framework must not be based solely on the primacy of debt servicing, but must include an evaluation of the requirements for reaching the Millennium Development Goals. In that regard, her delegation supported the Secretary-General's recommendation (A/62/151, para. 35) that debt sustainability should be redefined as the level of debt that allowed a country to achieve the Millennium Development Goals and reach 2015 without an increase in debt ratios and the call by the Commission on Human Rights (*ibid.*) for the drafting of guidelines for external debt relief programmes to ensure that the need to service foreign debt would not undermine the realization of fundamental economic, social and cultural¹ rights.

56. The international financial system had a direct impact on developing countries' relationships with the international financial institutions, on the one hand, and with developed countries, on the other. Closer linkages between countries and regions would facilitate information and knowledge transfer, increase productivity and improve living standards, but would also transmit shocks and disruptions. In that connection, she welcomed the contribution made by the United Nations Conference on Trade and Development through its Debt Management and Financial Analysis System (DMFAS). As a member of the Group of Eleven Forum of lower-middle-income countries, Morocco welcomed the macroeconomic results achieved in developing countries over the last 20 years and the progress made on developing country participation in the international financial institutions' decision-making processes. Developing countries must be given a say in decisions affecting the international community as a whole and involved in drafting international standards and rules governing the international financial system.

57. As noted in the Secretary-General's report (A/62/151, para. 9), the developing world was lending to the advanced economies. Indeed, net outward financial flows from developing to developed countries had increased from \$533 billion in 2005 to \$662 billion in 2006. Ever-increasing debt-servicing costs were one reason for the increase, which posed opportunity costs for developing countries, since those resources could have been used to increase domestic investment and accelerate growth. Her delegation therefore endorsed the statement (A/62/151, para. 12) that a reform of the international financial institutions, by giving more voice to developing countries, would increase ownership of the policy prescriptions they advocated.

58. The international financial system must continue to promote sustainable development, sustained economic growth and poverty eradication, while mobilizing sources of financing for development and establishing a multilateral trading system that was open, equitable, regulated, predictable and non-discriminatory.

59. **Ms. Osman** (Sudan) said that the continued improvement in the external debt situation of developing countries as a whole, while welcome, masked the debt problems of individual countries or groups of countries, particularly those not participating in the HIPC Initiative or the MDRI. That situation

perpetuated the vicious circle of poverty and aid-dependency, and obstructed the successful implementation of national development strategies and plans and the achievement of the internationally agreed development goals, including the Millennium Development Goals.

60. The Sudan struggled with a set of complex and unique challenges. At the end of 2006, its external debt had stood at over \$27 billion in nominal terms, which was equivalent to approximately 55 per cent of GDP and 340 per cent of exports and represented an increase of about \$9 billion since the end of 2000. About two thirds of that increase was due to a further build-up of arrears to Paris Club and non-Paris Club creditors. All indicators showed that the Sudan's external debt was indeed unsustainable. The Sudan's debt burden threatened macroeconomic stability and growth and hampered its efforts to eradicate poverty, achieve the Millennium Development Goals, attain social cohesion, meet its obligations under the peace agreements it had signed, and foster reconstruction and rehabilitation. Shortfalls or delays in donor assistance and oil price-related external shocks would make it difficult for her Government to meet its obligations. Debt had forced the Sudan to rely on non-concessional facilities to finance programmes aimed at addressing regional development disparities, particularly in the area of infrastructure projects.

61. Her Government had implemented a wide range of economic, social and political reforms, including trade liberalization, privatization and banking reforms. By controlling expenditure and increasing revenue generation, it had reduced inflation from 130 per cent in 1996 to a single digit figure in 2006. The GDP growth rate, meanwhile, had increased from 6 per cent in 1997 to over 10 per cent in 2006. In addition, an External Debt Unit had been established within the Central Bank of the Sudan. It was responsible for improving governance, transparency and accountability and was making a contribution to macroeconomic management, in particular by crafting an overall debt management strategy.

62. Despite such policies, however — and at a time when it faced enormous challenges — the Sudan had not benefited from any debt relief initiatives, which remained hostage to political conditionality. She called for flexibility in that regard and urged donors to address the situation, particularly in the case of countries meeting debt relief criteria.

63. **Mr. Zainal Abidin** (Malaysia) said that, when reading the reports before the Committee, he had been struck by the uneven progress towards meeting agreed targets, the ongoing global inertia, and the extent to which the international community simply repeated platitudes. He welcomed the significant increase in ODA since the adoption of the Monterrey Consensus; the promises of additional, time-bound commitments, particularly by the European Union; and the fact that some States members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) had met or exceeded the 0.7 per cent target. It was a matter of concern, however, that much of the increase in ODA since 2002 was accounted for by debt relief and technical and humanitarian assistance; that the resources released for development were much smaller than those indicated by aid statistics; that development aid from OECD countries had fallen by 5.1 per cent in constant dollars in 2006 compared to 2005; and that, even if ODA reached 0.36 per cent of GNI in 2010, it would still be far below the 0.7 per cent target. The key question was whether ODA actually promoted development.

64. Crises had come and gone, but the international financial system remained unchanged. Some progress had been made in 2006 on reviewing the IMF quotas of those countries whose quotas were least reflective of their economic significance. He stressed the importance of moving forward on reform and the need for a clear political commitment, particularly from advanced member States, to making significant progress in the second stage, in order to assure members which had incurred a down payment by having their quota shares further eroded by the stage one ad hoc increase that quota reform would be a credible and meaningful exercise and that they would benefit from a broader and more comprehensive reform in the second stage.

65. As a result of the first stage of the reform, Malaysia's quota had been reduced from 0.7 to 0.68 per cent, even though IMF calculations showed that, based on traditional quota formulae, it should increase to 1.4 per cent. The lack of progress in the second stage was, therefore, a matter of concern, particularly since quota formula discussions were due to end in spring 2008.

66. The broader issue, of which voice and participation was but a small part, concerned the future

legitimacy, credibility and relevance of IMF. The fact that many developing countries had repaid most or all of their loans and were wary of taking out new ones demonstrated the extent of their unhappiness with the Fund's heavy-handed ways. Experience had shown that developing countries stomached austerity measures better than developed countries did. Malaysia, for example, had reduced its budget deficit from over 5 per cent in 2000 to around 3 per cent today. Developing countries had problems not with austerity per se, but rather with being forced to embrace needless austerity based on an ideological, rather than a pragmatic and realistic, perception of the world. To remain legitimate, credible and relevant, IMF must return to its original mandate, rely more on the power of analysis and persuasion and cease to be an instrument of the rich and powerful.

67. Increasing instability in the international economic system seriously hampered developing countries' efforts to achieve sustained economic growth and improve the welfare of their people. Nowhere was that more pronounced than in the sphere of international finance. Just a few months previously, the same innovative financial instruments that had enabled those who were not creditworthy to borrow and risks to be spread more evenly among financial institutions worldwide had also ensured that the contagion had spread further once reality had set in. Scapegoats included the Chairman of the Board of Governors of the Federal Reserve System and rating companies. As in the wake of the Asian financial crisis, when the rating agencies had also been blamed, nothing had been done. That was because the present system amplified greed. In that connection, it was noteworthy that, while the rest of the retail sector in the United States had suffered, luxury goods companies still enjoyed brisk sales and robust growth, indicating the widening gap between the haves and the have-nots.

68. Developing countries must adopt solid and sometimes unconventional macroeconomic policies if they were to survive and prosper. They had been criticized for building up their foreign reserves as a contingency against international financial crises. It had been said that China's current account surplus alone was extracting demand from the rest of the world to the tune of 0.75 per cent of the latter's aggregate GDP. Developing countries had been advised to strike the right balance between the possible increases in intermediation costs of such a policy, on the one hand,

and the cost of a future system-wide crisis, on the other. However, that was not easy, since the activities most likely to cause system-wide crises were unlikely to come from economic actors based in the developing world. The development of increasingly exotic financial instruments made it difficult to predict the extent of future crises and there was no other fallback position that took account of the need to protect the welfare of their citizens. His Government would continue to build on macroeconomic policies that had served it well in the past, while adjusting them to suit contemporary reality. As a result, growth was projected at between 6 and 6.5 per cent in 2008. Moreover, with private investment and private consumption expected to reach 9.5 per cent and 7.9 per cent respectively, per capita income was expected to increase by 6.8 per cent. Malaysia would also continue to have large financial reserves.

69. The turbulence surrounding the international financial system had made it increasingly difficult for developing countries to achieve their development goals. International financial system reform must proceed apace, centred on the development aspirations of the world's poor.

70. **Mr. Muburi-Muita** (Kenya) said that the continued increase in resource outflows from developing to developed countries was worrying, as it undermined the former's development prospects. Such outflows, while important perhaps in addressing current account imbalances, pointed to shortcomings needing to be addressed. A lack of resources could not be cited as a critical factor in developing countries' development endeavours when those same countries kept significant resources in developed countries. The failure to address that situation was an indication of the international financial system's weakness in finding ways of retaining such resources to foster development in poor countries. Debt relief did not provide any new, meaningful resources for development and could not, therefore, be considered as ODA. If the trend continued, developing countries were unlikely to achieve the internationally agreed development goals, including the Millennium Development Goals.

71. International financial architecture reform had been slow and particularly punitive to developing countries, whose level of participation in the key financial institutions' decision-making processes did not reflect their large number or their influence in global systems. Developing country voice,

participation and representation in IMF and World Bank decision-making needed to be addressed, and regional financial mechanisms strengthened, in order to enhance cooperation and self-reliance.

72. The Paris Declaration on Aid Effectiveness had not been fully incorporated into IMF and World Bank disbursement structures, particularly those relating to the financing of programmes in Africa. Moreover, ODA disbursement was increasingly being made conditional on governance and political reform. Even though many African countries had made significant progress in that regard, different standards were being applied when formulating conditionalities for countries in similar situations in other parts of the world.

73. According to the Secretary-General's report (A/62/151), the external debt of developing countries had increased in nominal value in 2006, from \$2,742 billion to \$2,851 billion. That increase, coupled with the increase in net resource outflows from developing to developed countries, posed a real threat to the former's development potential and, if left unchecked, would lead to greater global financial and development imbalances. Debt relief initiatives such as the MDRI and the HIPC Initiative were inadequate, inter alia because they did not address heavily indebted developing countries such as his own that were not considered "poor". Country classification and debt sustainability criteria must be reviewed to guarantee fairness and ensure that a real impact was made in the countries concerned. The evolving trend of considering debt relief to be ODA must be reviewed, as it defied traditional knowledge about two important but different aspects of international finance and cooperation. The real solution to the developing countries' debt problem, however, was 100 per cent debt cancellation.

The meeting rose at 12.45 p.m.